

MEDIOLANUM S.P.A.
SOCIAL REPORT
2014



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Letter to stakeholders

The Mediolanum Group's results for 2014 were again very positive. For the sixth consecutive year, the subsidiary Banca Mediolanum S.p.A. had the highest net income in Italy, rising 22% compared to the previous year to €4,082 million - the best in the company's history. Assets managed and administered by the Group also increased 11% compared to 2013, with customer numbers rising by 4%. In keeping with its people-centric vision and values, the Mediolanum Group continues to show that it is a socially responsible company in its dealings with all stakeholders, as reflected above all by the Group's results.

In demonstration of the Group's support for customers and contractors facing difficulties, this year Banca Mediolanum allocated €1,300,000 for customers and Family Bankers® affected by natural disasters in Italy's various regions. Furthermore, as part of our continuing desire to assist those who have helped us grow, a number of benefits have been provided such as: allowing the suspension of mortgage and loan repayments for 12 months; providing preferential credit lines; a 1% reduction in existing mortgage and loan rate spreads for 24 months and making all current account and deposit accounts free-of-charge for 24 months. For Mediolanum, commitment and relationships have always been key intangible assets that guide the Group's work at all times.

Thanks to our efforts to benefit our major stakeholders through fast, practical and efficient action on sustainability, the Group was awarded the the Italian Banking Association (ABI) award for Banking Innovation in the category "The responsible and sustainable bank", as a result of our ability to meet customer requirements in terms of innovation and cost effectiveness. In addition, because of the distinctive products we offer, we were also awarded the "MF Innovation Award". Specifically, the award singled out Banca Mediolanum's new registered pre-paid card, designed to encourage independent management of personal expenditure. Innovation - which has always been our core value - is translated into all our activities and is also being recognised externally.

The Group's socially responsible ethos is also made a reality in our dealings with contractors, employees and Family Bankers®, through services and benefits designed to help them achieve work-life balance. Continuously developing new services for customers and our consistent focus on service quality require the ongoing development

of human capital. In 2014, these commitments resulted in Mediolanum hiring highly specialised personnel, with an 8.4% rise in permanent employment contracts compared to 2013, in addition to developing our training initiatives designed to nurture and develop the skills of Group personnel.

We also attach huge importance to our partnerships with suppliers, which are key stakeholders in the value creation chain. Our rigorous recruitment policy and steadfast ethical principles create the best possible conditions for getting the very best out of all our people, thereby establishing stable, lasting and transparent relationships between suppliers/contractors and the Group. As of 31 December 2014, the Mediolanum Group had approximately 2,300 suppliers. The majority of them are concentrated in the following areas: information technology, marketing and communications, consultancy, systems and maintenance.

Last, but by no means least, care for the environment is realised through a number of concrete initiatives aimed at reducing consumption and waste, as well as encouraging environmentally friendly behaviour. A tri-generation system has been in use at the Milano 3 headquarters since 2009, enabling the simultaneous production of electricity, heat and cooling. In 2014, this system covered all heating requirements, some air conditioning needs and more than half (55.88%) of total electricity demand.

In June 2014, Banca Mediolanum S.p.A. set up the Corporate Social Responsibility function to develop CSR along the lines of sustainability and shared value. Of course, acting in a socially responsible way is right at the very heart of the Group's origins; it is the CSR function's job to formalise this approach, elevate it and propagate an ethical culture among all stakeholders. The assets that the company uses to develop social responsibility are: Banca Mediolanum's model, products and services; Mediolanum Corporate University; and the partnership with the Mediolanum Foundation NPO. During 2014, the Foundation again benefited from the Mediolanum Group's regular contributions and its various fundraising activities, allowing it to continue its work as a donor to its partners' projects for children in need. During the year, the Mediolanum Foundation NPO assessed 102 projects and funded 31, donating a total of €629,888. Starting in January 2014, Mediolanum Corporate University launched a project called "Centodieci" (Italian

for “with honours - evoking the idea of excellence) to raise customer awareness and spread culture and values within the Mediolanum Community.

Building relationships based on freedom, commitment, care and innovation - the founding values of the company - is the “modus operandi” of Mediolanum, which has acted responsibly since its foundation and remains focused on people, the essential condition for the sustainable growth of the Group.

Ennio Doris

Chairman of Banca Mediolanum S.p.A.

A handwritten signature in black ink, appearing to read 'Ennio Doris', with a stylized flourish at the end.

Carlo Secchi

Chairman of Mediolanum S.p.A..

A handwritten signature in black ink, appearing to read 'Carlo Secchi', with a long vertical stroke at the beginning.

Introduction and note on methodology

The Mediolanum Group's Social Report 2014 - in its ninth run - is a summary of the year's most significant projects and initiatives, highlighting the results achieved in terms of Corporate Social Responsibility and supplementing the financial and economic information contained in the Consolidated and Separate Annual Reports. The Social Report clarifies the link between the Group's values, the corporate strategies that characterised the financial year 2014 and the management of relationships with key stakeholders.

THE STAKEHOLDERS

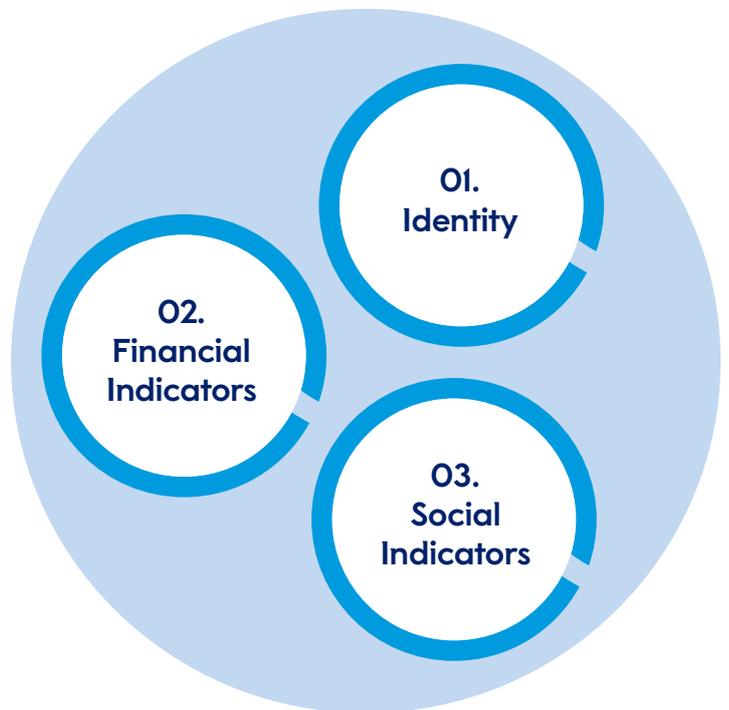
The Social Report is split into three sections in order to provide a comprehensive overview of the three aspects that are key to the Mediolanum Group.

Identity:
providing information on the Group's organisation, history, vision, mission, values, strategic guidelines and corporate governance.

Financial Indicators:
forming the main link between the Consolidated Annual Report and the Social Report, this section examines the added value for stakeholders, in part through an analysis of the financial results.

Social Indicators:
this section outlines the results achieved in the various programmes implemented and their impact on individual stakeholders, using qualitative and quantitative indicators.

The Social Report is issued annually and submitted to the Board of Directors for approval alongside the Consolidated and Separate Annual Reports. The Social Report is audited by an independent third party.



SOCIAL REPORTING STANDARDS

The Social Report was prepared in line with the standards laid down by the Working Group on Social Reporting (Gruppo di Studio per il Bilancio Sociale - GBS), as they were considered most coherent with the Mediolanum Group's approach to communication and dialogue with stakeholders. It also contains qualitative information in line with the guidelines set by ABI (the Italian Banking Association) and the Global Reporting Initiative, to ensure full disclosure. The Mediolanum Group's Social Report covers the main activities carried out between 1 January and 31 December 2014.

SYMBOLS

Readers will note certain symbols in the Report. These stand for the intangible capital components listed below, and are included as part of the gradual integration of Social Report indicators with those typical of the Intangible Capital Report.

- > **Relational capital:**
this is the value of the Group's relationships with its stakeholders. It is the value of the Company's reputation, as well as its ability to raise capital and attract investors, customers and contractors.
- > **Human capital:**
this is the value of all the skills, ideas, knowledge, behaviour, talents and professional skills of the Mediolanum Group's workforce.
- > **Structural capital:**
this indicates the soundness of the Company and its investments, as well as the value of its brands, processes and methods that deliver economic benefits and improve efficiency. These indicators complement traditional Social Report indicators for a more comprehensive analysis of reported data and information as well as for a better understanding of the value of the Mediolanum Group's Intangible Capital through more practical means.

DIALOGUE WITH STAKEHOLDERS

Maintaining active dialogue with its stakeholders is key for Mediolanum. To this end, it has set up programmes to assess the degree to which stakeholder expectations are being met, with a view to then launching improvement projects and initiatives.

Examples include the following actions:

- > customer satisfaction surveys;
- > sales network satisfaction surveys;
- > meetings between the Group's executives and analysts and investors, coordinated by the Investor Relations team;
- > market research and analysis, aimed at assessing brand awareness and the positioning of the Mediolanum Group with respect to its competitors, as perceived by the community at large;
- > ongoing dialogue with NPOs and other third sector organisations, through which Mediolanum carries out social initiatives.

DISTRIBUTION TO STAKEHOLDERS

The Social Report 2014 online version is available on the website www.mediolanum.com. It has been viewed 8,983 times from 20 July 2014 to 16 February 2015.

CONTACTS

The Corporate Social Responsibility function oversees the preparation of the Social Report, in collaboration with all business units involved in the initiative. To encourage dialogue on related themes, the function is available to respond to any questions or comments. Any feedback on the Social Report can be sent via the online questionnaire, at www.mediolanum.com.
Contacts: e-mail: csr@mediolanum.it

01. IDENTITY



The Mediolanum identity

History of the Group

ORIGINS

1982

In partnership with the Fininvest Group, Ennio Doris founded Programma Italia S.p.A., the first organisation to provide all-round financial advisory services in Italy.

1991

Programma Italia Investimenti, a stock broking firm, was set up.

1998

Mediolanum shares were included in the MIB 30 index.

1983

Mediolanum Gestione Fondi was set up, an Italian company managing mutual funds.

1996

Mediolanum S.p.A., the new holding company of the various subsidiaries, was listed on the Italian Stock Exchange in Milan on 3 June 1996.

2000

Banca Mediolanum launched its online trading services. An extensive advertising campaign was launched, featuring star performances from Mediolanum Chairman Ennio Doris. Banca Mediolanum expanded into Spain to replicate its Italian business model with the acquisition of the Fibanc Banking Group. Mediolanum acquired a stake in Mediobanca; together, they later formed the joint-venture Banca Esperia, which provides private banking services.

1984

Mediolanum Vita was acquired to broaden the range of products offered.

1997

Mediolanum International Funds, a product "factory", was established in Dublin. Banca Mediolanum was founded, an innovative multi-channel bank combining technological innovation and the assistance of a team of dedicated professionals.

2001

Mediolanum continued its expansion into Europe with the acquisition of Bankhaus August Lenz & Co. in Germany and Gamax Holding AG in Luxembourg.

2004

Mediolanum Channel, the Mediolanum Group digital satellite TV channel, launched some exciting shows. The "PrimaFila" project for high net-worth customers was launched.

2007

The Mediolanum Group celebrated its 25th anniversary, Banca Mediolanum its 10th. It was already a fast-growing and competitive leading player in the industry - with more than a million customers - and a company committed to retaining its focus, mission and values. The Mediolanum Foundation closed its fifth year with excellent results and many new objectives. Customer satisfaction was the focus of the new communications campaign, making real customers central to the relationship with the bank and to the banking model. Italy passed a new law on supplementary pensions and the Mediolanum Group became the market leader, with about a one third share of the market for individual pension plans.

2002

The Mediolanum Foundation was established and, soon after, the "Piccolo Fratello" project was launched.

2005

The "4Freedoms" project was unveiled: an ambitious customer acquisition strategy launched with the innovative Riflex product range, which also involved a series of scheduled meetings with customers across the country. A new multimedia advertising campaign let customers have their say and emphasised the role of Ennio Doris as the reliable face of the Bank.

2003

Mediolanum sponsored the Blue Jersey in the Giro d'Italia bicycle race for the first time. The sponsorship continued in subsequent years.

2006

The Bank introduced the Family Banker®: a qualified professional bringing advice and services directly into customers' homes to help them find the banking and financial solutions that best meet their needs.

RECENT HISTORY

2008

The Mediolanum Market Forum, an engaging initiative promoting dialogue and information exchange with stakeholders, was held twice over the course of the year. Mediolanum Best Brands, a new mutual fund of Mediolanum International Funds, was launched after an agreement with the leading international asset management companies. The Group promoted important initiatives to protect the interests of its customers, helping them deal with the growing impact of mortgage rates on household budgets as well as with the global financial crisis.

2011

InMediolanum was launched, the new, no-fee, high-interest deposit account that is easy to open online. The "Estote Parati" Conference, held in Rimini in May and dedicated to Family Bankers®, opened its doors to customers for the first time. The event was attended by 6,000 people, including journalists. The Mediolanum Group gave its support to the people affected by the flooding in Liguria and Tuscany in 2011.

2014

Mediolanum S.p.A. became the banking group's parent company. Support continued for customers affected by natural disasters in the region - a commitment recognised by the ABI Banking Innovation Award. Indeed, about €160 million in donations were made. In acknowledgement of the commitment to innovation of Mediolanum S.p.A. and the Group companies, a variety of innovative and distinctive products received awards.

2009

Mediolanum Corporate University was launched, a leading training centre combining cutting-edge technology with advanced training courses aimed at passing on the values as well as the personal and professional experience that have enriched the Group's corporate culture for more than 25 years. The range of next-generation banking products was expanded with the new Freedom Account to meet customer needs for freedom and financial return.

2012

The Group awarded significant funds to customers and Family Bankers® hit by the flooding in Liguria, Tuscany and Sicily. It also allocated financial support and donations to customers and Family Bankers® affected by the earthquake in Emilia Romagna, by the flooding in Central Italy and by the earthquakes in Potenza and Cosenza. The Mediolanum Foundation became a non-profit organisation and raised €104,538 via its text-message fundraising campaign.

2010

The Mediolanum Best Brands offering was broadened with new products developed with global partners selected from leading international asset management companies. In the autumn, to re-launch the Freedom Account, Banca Mediolanum S.p.A. funded schooling for a child in Haiti for each new current account opened.

2013

Mediolanum Assicurazioni joined the Mediolanum Group. Banca Mediolanum was the first bank in Italy to offer money transfer services via smartphone (ABI Banking Innovation Award). Moreover, the Bank donated over €2 million to help the customers affected by the natural disasters that hit Italy in 2012, and €1.6 million to help those who suffered damage in 2013, confirming its commitment to its customers in terms of its Corporate Social Responsibility.

Vision

We at Mediolanum are bringing change to the traditional banking market that goes well beyond technology: we offer families a new kind of freedom and a more personal relationship with the bank. We are committed to “Freedom in Banking”.

Mission

For each and every one of us, “Freedom in Banking” means offering families tailored, comprehensive, reassuring and transparent financial solutions through innovative yet easy-to-use technological solutions. The concepts contained in our vision and mission are real values underlying all daily internal and external operations carried out by every Group company and by all personnel.

Our values

FREEDOM

FREEDOM IS THE CORE VALUE ON WHICH MEDIOLANUM IS BUILT: THE FREEDOM FOR CUSTOMERS TO BANK WHEREVER, WHENEVER AND HOWEVER THEY WANT.

Above all, the freedom that comes with knowing a Family Banker® is always on hand to help manage their savings and interests. Mediolanum's aim has always been to change the very concept of banking by building a closer and more personal relationship with its customers.

RELATIONS

OUR FOCUS IS ON OUR CUSTOMERS, WHO ARE AT THE CENTRE OF OUR BANKING MODEL.

Our approach is built around customer satisfaction and increasing the value of their resources over time. For our customers and for the community, the Family Banker® is the Bank, the core of our business model and a market benchmark. We believe in developing people and in enhancing their potential; we believe in collaboration, teamwork and in building relationships based on mutual trust.

COMMITMENT

WE WANT TO BE MARKET LEADERS BUT, ABOVE ALL, WE WANT TO SET THE STANDARD, PURSUING EXCELLENCE IN TERMS OF SERVICES, PRODUCTS, SOLUTIONS, TRAINING AND RELATIONSHIPS.

We foster ethical principles, a sense of responsibility, an entrepreneurial spirit and the expertise to increase the value of the Company and its people and promote a new approach to opportunities. We invest in solidarity, relief and development projects through substantial, concrete assistance.

INNOVATION

WE HAVE THE CAPACITY TO CHANGE, IN TERMS OF TECHNOLOGY AND IDEAS, IN ORDER TO ANTICIPATE MARKET SHIFTS AND FUTURE NEEDS.

We are continually assessing and developing new tools, processes and behaviour to ensure complete customer satisfaction for both internal and external customers. The use of financial, operational, and human resources is always focused on efficiency.

The Code of Ethics, updated in September 2013, summarises the Group's values and commitments towards its stakeholders in performing its day-to-day business.

The business model

The bank built around the customer

Banca Mediolanum's business model is built around the needs of each and every customer, and has been setting the benchmark in banking since 2000. The telephone, computers, television, smartphones and smart TV allow customers to use and contact their bank whenever and however they choose. Banca Mediolanum is an accessible and user friendly bank that offers products and services built around the real needs of individuals and households, which are its target market.

Banca Mediolanum's business strategy has always been driven by principles built on:

- > tradition, the result of the Group's years of experience and professionalism as a leading, dependable and transparent financial sector operator;
- > the future, to anticipate market needs and make use of innovation, thus improving the services offered to customers;
- > technology, to offer customers a broader range of instruments and operating methods, through an innovative service offering;
- > humanity, the key and crucial aspect underlying any true relationship. This is the foundation on which collaborative relationships are built based on respect, achieving common goals through careful and informed choices.

With its multi-channel model, Banca Mediolanum offers the same comprehensive services provided by traditional banking, as well as:

- > greater freedom of access for daily transactions that is simple and secure;
- > the assistance of a Family Banker®, whose role is to build professional relationships with customers and guide families in their investment and asset management choices.

The Family Banker® is an expert created by Banca Mediolanum that offers support directly in the customer's home. Together, solutions are explored to best meet the customer's savings, investment, retirement, insurance and financial needs, helping out, if necessary, during initial contact via the Bank's multiple channels.

Asset management and advice

In addition to the products and services it offers, Banca Mediolanum provides customers with asset management and investment consultancy through its Family Bankers®, who are listed in the Register of Financial Advisors.

PROFILING

To ensure maximum customer protection, Banca Mediolanum provides investment consultancy to its customers whenever a transaction is made through a Family Banker®.

In line with the EU MiFiD Directive, in force since 2007, such consultancy requires prior assessment of the suitability of customers' investment choices with respect to their investment objectives, particular financial situation, knowledge and experience. This assessment entails filling out a mandatory Personal Profile questionnaire, where customers provide information to enable the Banca Mediolanum and the Family Banker® to get to know and understand them better. Based on the information provided, customers are assigned an "investor profile" according to their risk propensity and investment time horizon.

Specifically, the investment assessment model also takes into account the customer's existing portfolio of financial products and instruments. Family Bankers® continually update the information acquired and monitor their customers' investments, providing regular advice. To provide the utmost protection, the Bank also assesses those transactions involving Group asset management products ordered independently by the customer through direct channels (e.g. the Internet and telephone).

ASSISTANCE AND ADVICE

Providing after-sale services means not only proposing the best investment solutions, but also helping customers to act rationally during market volatility, particularly in recent years given stock market performance and the global financial crisis. Family Bankers® do not merely sell products, rather they offer solutions. This allows Mediolanum to operate in the various financial service sectors, with the expertise and flexibility needed to best respond to ongoing economic, tax, financial and regulatory changes. The investment strategy is the result of a thorough analysis of global financial markets and Mediolanum's significant expertise in asset management. The aim is to reduce the risks associated with a lack of investment diversification.

THE "5D" STRATEGY

This is the fundamental principle of financial diversification that Banca Mediolanum has always applied to identify, within its product and service offering, the most appropriate instruments to meet the needs of its customers. It is based on 5 types of diversification.

1. Diversification by time horizon

Investments are diversified by short, medium or long term time horizon, in line with individual goals.

2. Diversification across securities

Many securities are better than just a few. The more diversified the portfolio, the lower the investment risk.

3. Diversification across geographies and industries

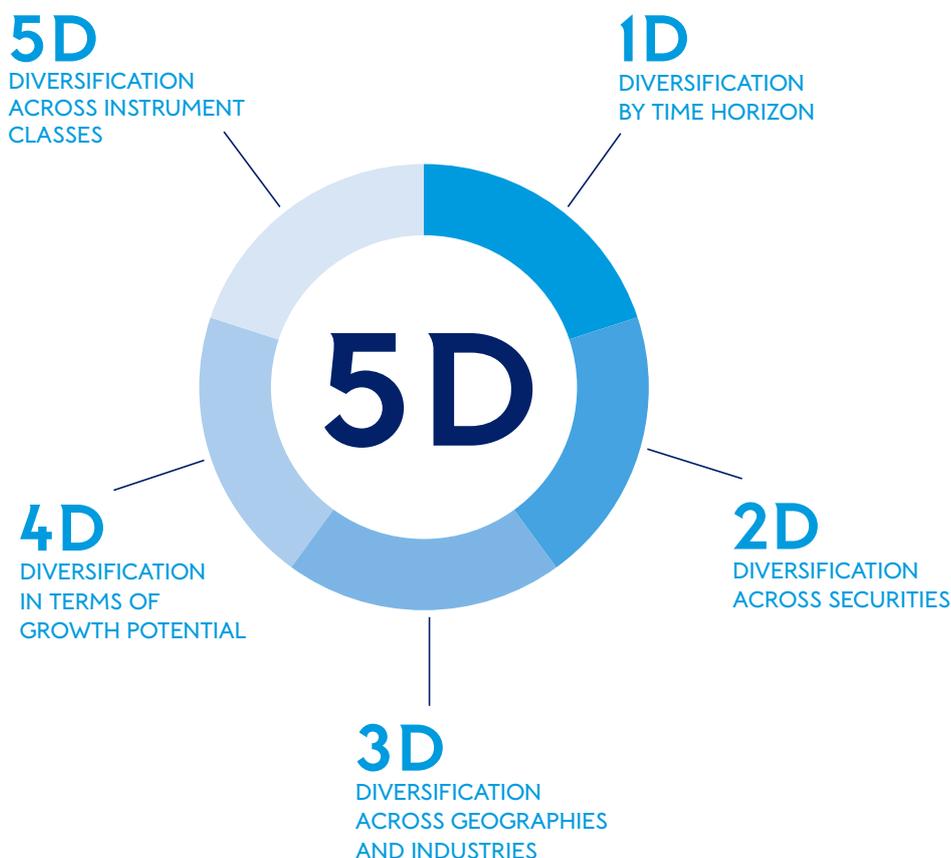
Diversifying investments across geographic areas increases security and return opportunities.

4. Diversification in terms of growth potential

A portfolio with a long-term view and that is in line with the above guidelines should include investments in emerging markets and companies to add value to the investment.

5. Diversification across instrument classes

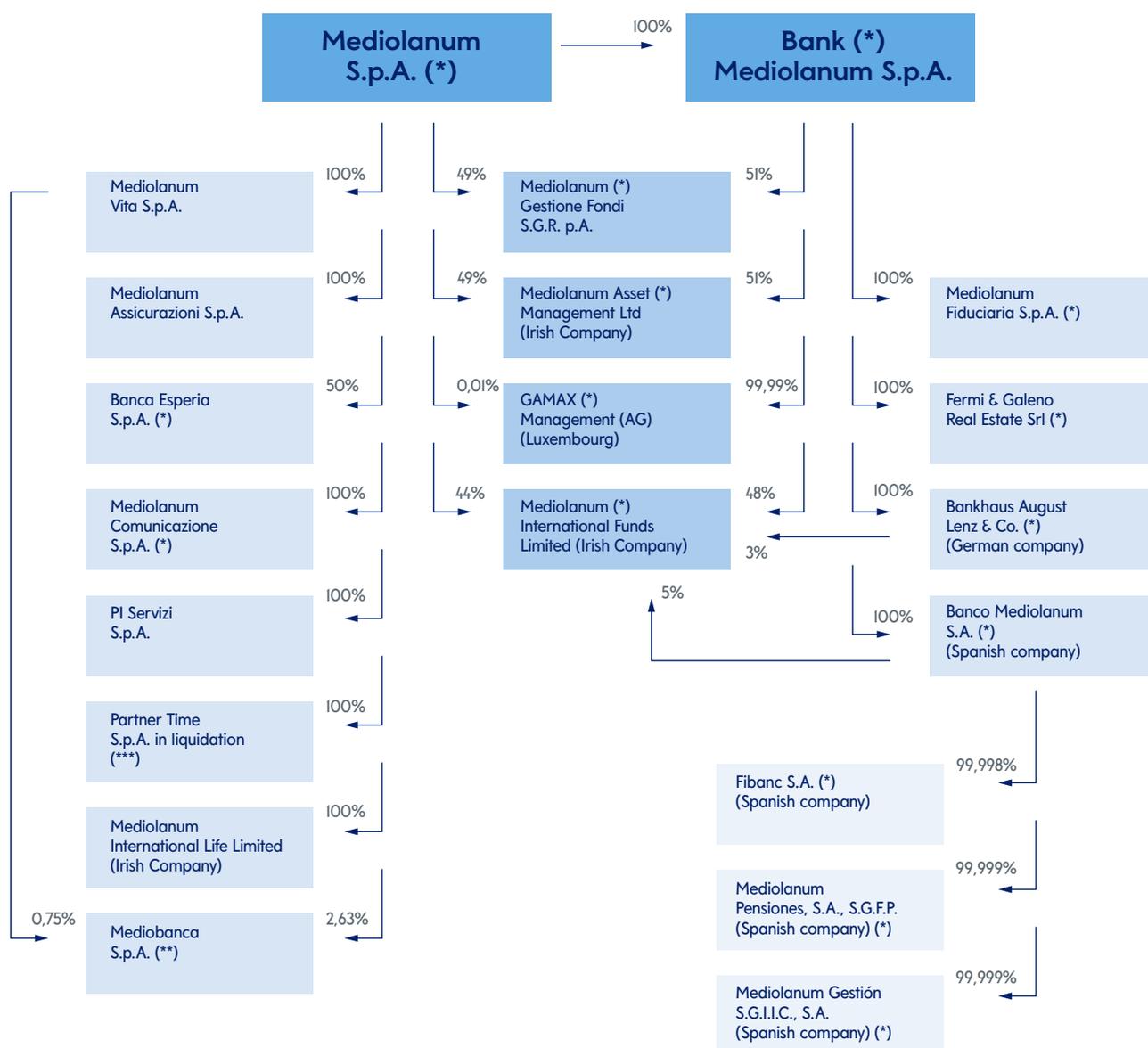
Additional stability and security is provided by the use of a variety of investment instruments (e.g. mutual funds and insurance/financial products).



The organisational setup

The Group structure

GROUP STRUCTURE AS OF 31/12/2014



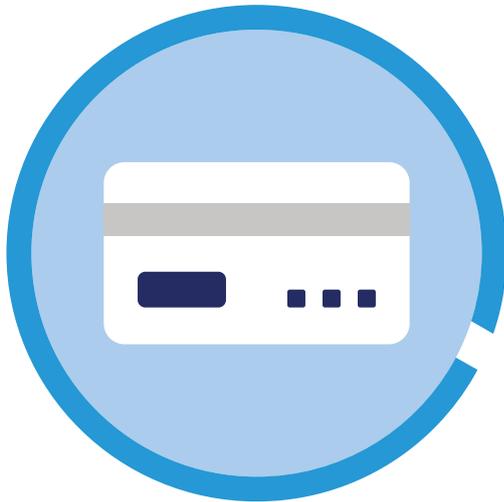
(*) Company of the Mediolanum Banking Group

(**) Due to the fact that mediobanca holds a given amount of own share, total shareholding is equal to 3,442% of the voting shares.

(***) The company Partner Time S.p.A. in liquidation was removed from the Register of Companies with effect from 11/02/2015.

N.B.: The Bank of Italy, by Communication of 29/07/2014, communicated the new composition of the Banking Group (with Mediolanum S.p.A. Parent Company and Mediolanum Comunicazione S.p.A. Service Company S.p.A. Service Company), with effect from 16/04/2014.

The Group holding company, Mediolanum S.p.A., is the parent company of the Financial Conglomerate and of the Banking Group. Mediolanum S.p.A. also jointly owns Banca Esperia S.p.A with Mediobanca S.p.A., and holds a stake in Mediobanca S.p.A.



The Group's retail banks that provide products and services to customers are:

Banca Mediolanum S.p.A.
headquartered in Basiglio, Milan (Italy)

Banco Mediolanum S.A.
headquartered in Barcelona (Spain)

Bankhaus August Lenz & Co. AG
headquartered in Munich (Germany)



The Group companies that design and manage products are:

Mediolanum Gestione Fondi SGR p.A.
headquartered in Basiglio, Milan (Italy)

Mediolanum Vita S.p.A.
headquartered in Basiglio, Milan (Italy)

Mediolanum Assicurazioni
headquartered in Basiglio, Milan (Italy)

**Mediolanum International Funds Ltd,
Mediolanum Asset Management Ltd e
Mediolanum International Life Ltd**
headquartered in Dublin (Ireland)

Gamax Management AG
headquartered in Luxembourg

Management profiles

CARLO SECCHI

Chairman
of Mediolanum S.p.A.

Carlo Secchi was the Dean of Bocconi University in Milan from 2000 to 2004 and Professor Emeritus of European Economic Policy.

He is on the executive boards of several technical and scientific foundations and institutions.

He is Executive Deputy Chairman of the Institute for International Political Studies in Milan, and Chairman of the Italian Group of the Trilateral Commission.

He is also the European coordinator for the trans-European transportation networks.

He is the author of several books and articles on international commerce, the global economy, economic integration and various European issues.

He is on the Board of Directors of Mediaset and Italcementi.

ALFREDO MESSINA

Deputy Chairman
of Mediolanum S.p.A.

After serving at a number of major companies, Alfredo Messina joined Olivetti as Group Production Controller, before moving to Alitalia as Corporate Finance, Control and Administration Officer. In 1989, he joined IRI as Planning and Control Director.

In 1990, he joined Fininvest, first as General Manager and then, from February to July 1996, as Chief Executive Officer.

He is a member of the Board of Directors of Mediaset S.p.A. and Molmed S.p.A.

MASSIMO DORIS

Executive Deputy Chairman
of Mediolanum S.p.A.

Chief Executive Officer
of Banca Mediolanum S.p.A.

Massimo Doris joined Banca Mediolanum in 1999 as a financial advisor. Prior to that he had been based in London, where he worked as a sales assistant at UBS, Merrill Lynch and Credit Suisse Financial Products. He later became Marketing Manager in charge of the launch of the Group's Internet banking website, and then Head of Sales Network Training. From October 2003 to September 2005, he was Italian Network Manager at Banca Mediolanum, in charge of the Italian Sales Network, before moving to Barcelona to take on the positions of Chief Executive Officer and General Manager of the Spanish banking group Banco de Finanzas e Inversiones. In July 2008, he returned to Italy as the Chief Executive Officer and General Manager of Banca Mediolanum S.p.A. In May 2009, he became the Executive Deputy Chairman of Mediolanum S.p.A.

ENNIO DORIS

Chairman
of Banca Mediolanum S.p.A.

Chief Executive Officer
of Mediolanum S.p.A.

Ennio Doris began as a financial advisor, first with Fideuram and then with the RAS Group. His career underwent a major change when, together with the Fininvest Group, he founded Programma Italia, a financial brokerage organisation. He has been CEO since its foundation.

He is the Chairman of Banca Mediolanum S.p.A.

EDOARDO LOMBARDI

Vice Presidente
di Banca Mediolanum S.p.A.

Presidente
di Banca Esperia S.p.A.

Edoardo Lombardi was formerly the Corporate General Manager of Procter & Gamble Italia and the General Manager of the Sangemini/Ferrarelle Group. In 1987, he became General Manager of Fininvest Italia S.p.A. and in 1989 was appointed Executive Director of Mediolanum Vita S.p.A. He is currently the Executive Deputy Chairman of Banca Mediolanum S.p.A., Chairman of Banca Esperia S.p.A., Chief Executive Officer of Mediolanum Vita S.p.A and Director of Mediolanum S.p.A., of Fedrigoni and of IEO (the European Institute of Oncology).

Our people

The Group has a workforce of over 7,000, comprising 2 main categories:

- > employees
- > members of the sales network.

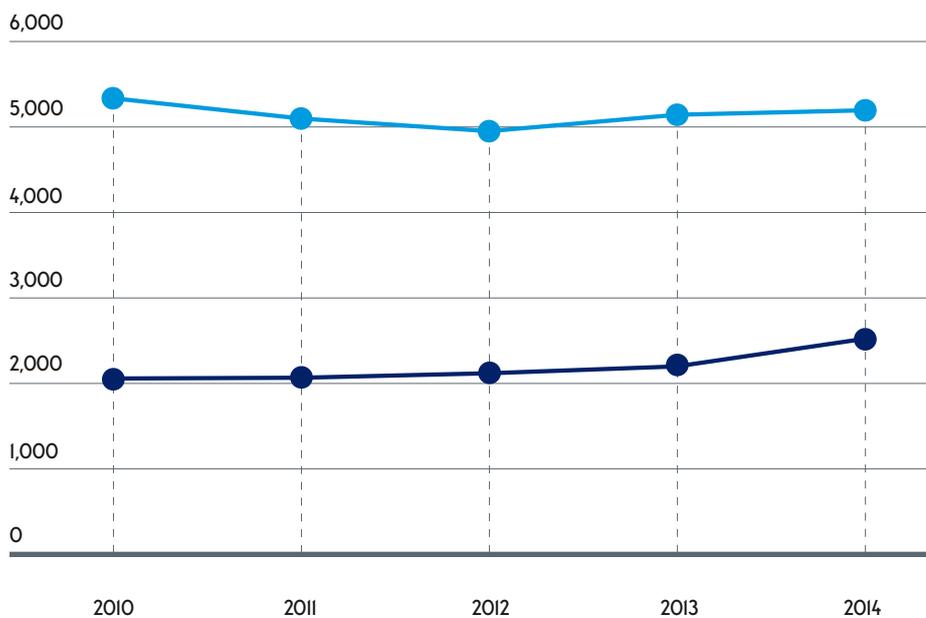
The sales network has a presence in five countries (Italy, Spain, Germany, Ireland and Luxembourg).

TOTAL STAFF

Category (Number)	2014	2013	2012	2011	2010	% Change '13-'14
Employees	2,510	2,316	2,163	2,098	2,066	8.4%
Sales network members	5,195	5,143	4,951	5,099	5,336	1.0%
TOTAL	7,705	7,459	7,114	7,197	7,402	3.3%

Category

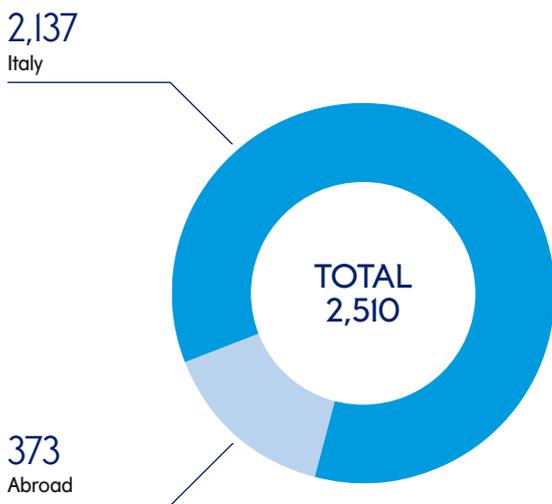
● Sales network members ● Employees



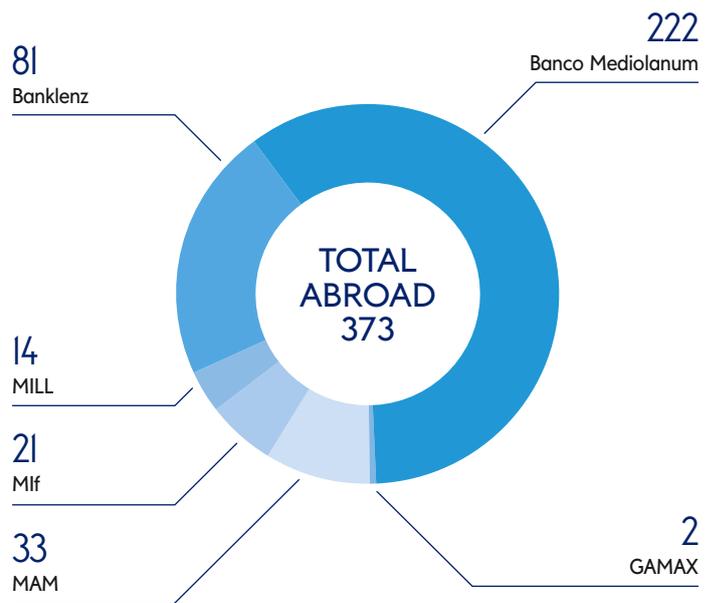
Category (Number)	2014	2013	2012	2011	2010	% Change '13-'14
Total employees in Italy	2,137	1,958	1,824	1,770	1,749	9.1%
Total employees abroad	373	356	338	328	317	4.8%
TOTAL EMPLOYEES	2,510	2,314	2,162	2,098	2,066	8.40%

	2014	2013	2012	2011	2010	% Change '13-'14
Breakdown abroad (Number)	373	356	338	328	317	
Banco Mediolanum	222	220	217	213	213	
Banklenz	81	70	64	59	58	
MILL	14	13	13	13	12	
MIF	21	20	13	13	10	
MAM	33	31	29	28	23	
GAMAX	2	2	2	2	1	

Total employees 2014

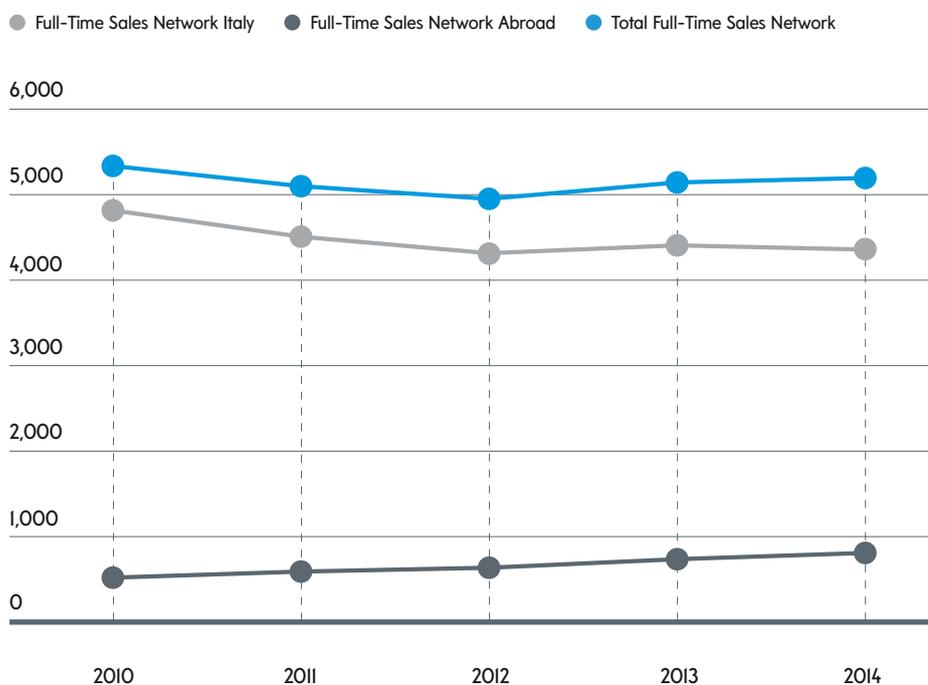


Breakdown abroad 2014



SIZE OF THE MEDIOLANUM GROUP SALES NETWORK

Category (Number)	2014	2013	2012	2011	2010	% Change '13-'14
Full-Time Sales Network Italy	4,386	4,407	4,315	4,508	4,816	-0.5%
Full-Time Sales Network Abroad	809	736	636	591	520	9.9%
TOTAL FULL-TIME SALES NETWORK	5,195	5,143	4,951	5,099	5,336	1.0%



Quality and corporate social responsibility

Strategy

The measures taken in 2014 regarding Quality and Corporate Social Responsibility have brought encouraging results given the efforts made. The Bank continued to pursue its strategy aimed at changing customers' perceptions of Banca Mediolanum, striving to promote its values among all its stakeholders and to foster and retain their loyalty.

This has been made possible by the Group's philosophy, which entails a customer-centric approach that aims to strengthen the Bank's relationship with its customers and with all stakeholders by involving them in a continuous improvement process, both in terms of brand perception and in terms of socially responsible behaviour. Teamwork is key to the Group's strategy and this is fostered via Improvement Groups set up to build a strong spirit of collaboration within teams, among the various Company functions, and with the Sales Network.

Corporate Governance

INTERNAL DEALING

The Board of Directors of Mediolanum S.p.A. - pursuant to Article 114, paragraph 7 of the Consolidated Finance Act - approved the "Regulations for trading by corporate insiders and their close associates - the Internal Dealing Code of Conduct", which is available on the corporate website (www.mediolanum.com). In compliance with regulatory requirements (summarised in the Code's appendix), the Code regulates trading in the issuing company's shares and in related financial instruments, of at least €5,000 per year, carried out by so-called corporate insiders as defined by article 152.6 of CONSOB's "Regulation for Issuing Companies" (CONSOB resolution 11971/99), directly or through intermediaries or trusts, as well as such trading by close associates of the above-mentioned insiders. In addition to the corporate insiders as defined in the legislation (directors, statutory auditors, and their close associates), the Company resolved that the Code shall also be applicable to Mr. Luigi Del Fabbro, the officer responsible for preparing corporate accounts, in light of the strategic responsibilities assigned to him. As per current regulations, the above-mentioned individuals, who have a disclosure obligation, have delegated the reporting of mandatory disclosures to the Corporate Affairs Office, in line with the terms of Article 152.8 of the Regulation for Issuing Companies. Any trading falling within the scope of the Internal Dealing Code is reported on the Company website - by the end of the next trading day - as well as to CONSOB, the stock market operator and the public.

RELATED PARTIES

The Board of Directors of Mediolanum S.p.A. has had a procedure in place since 2003 to manage the most significant transactions and the related parties involved. In 2010, Mediolanum S.p.A. took measures to promptly implement the CONSOB resolution 17221/2010 on transactions with related parties. More specifically, on 10 November 2010, the Board of Directors approved the "Procedures pursuant to article 4 of CONSOB resolution 17221." These were promptly circulated to all companies in the Mediolanum Financial Conglomerate, and were last updated on 12 November 2013. The procedures are published on the website (www.mediolanum.com) in the section: Investor Relations - Corporate Governance/Corporate Governance Documents.

GOVERNING AND SUPERVISORY BODIES

BOARD OF DIRECTORS

The Board of Directors is vested with all necessary powers for the ordinary and extraordinary management of the Company - except for those that the law reserves for the General Meeting - as well as the authority to take any and all actions to achieve the Company's goals.

The Board of Directors is responsible for the management of the Company. To this end:

- > it provides guidance and supervision in line with the law and corporate by-laws, sets corporate strategies and goals, and ensures the implementation and regular assessment of an efficient and effective internal control system, consistent with the complexity of the business.
- > it examines and approves any strategic, business and financial plans of the issuing company and of the Group it heads, as well as the issuing company's governance system and the Group's organisation.
- > it assesses the suitability of the organisational, management and accounting systems of the issuing company and of its strategic subsidiaries as arranged by their Chief Executive Officers, especially in relation to the internal control system and the management of conflicts of interest.
- > it assigns and revokes the powers of Chief Executive Officers and, where appointed, the Executive Committee, setting limits and procedures for exercising such powers.
- > it also determines the frequency of reporting to the Board (not more than quarterly) by the relevant bodies on the activities performed with respect to the powers assigned to them.
- > after examining the proposals of the relevant committee as well as the opinion of the Board of Statutory Auditors, the Board of Directors sets the compensation of Chief Executive Officers and other Directors holding special positions, and, when not determined by the General Meeting, it decides the distribution of the overall compensation among the members of the Board of Directors.
- > it assesses overall management performance, especially on the basis of information received from delegated bodies, as well as by periodically comparing actual results with expected results.

- > it examines and gives prior approval to those transactions of the issuing company and its subsidiaries that are important strategically, economically, financially, or in terms of equity, to the issuing company, devoting special attention to those transactions where one or more directors may have a vested interest, either directly or on behalf of third parties, as well as to related party transactions (to that end, the Board has established general guidelines for identifying relevant transactions).
- > at least once a year, the Board assesses the size, composition and work of the Board of Directors and its Committees, recommending, where appropriate, the inclusion of professionals whose presence on the Board is considered appropriate.
- > in its corporate governance report, it provides information on the implementation of the above-mentioned Code of Conduct, including the number of Board of Directors meetings held during the financial year and the attendance of each Director.
- > it examines and rules on significant transactions as defined in article 23 of the corporate by-laws.
- > it examines the plan of the control bodies on an annual basis.

In 2014, the mandate of the Board of Directors was renewed until the approval of the financial statements as at 31 December 2016.

Composition	14 members (of which, 4 executive and 6 independent members)
Meetings held in 2014	9

BOARD OF STATUTORY AUDITORS

The Board of Statutory Auditors verifies compliance with the law and by-laws, as well as adherence to principles of proper management. In particular, it verifies the suitability of the organisational structure and the management and accounting systems adopted by the Company, as well as their correct operation. In addition, pursuant to the new provisions set out in art. 159 of the Consolidated Finance Act, the Board of Statutory Auditors submits its proposal to the General Meeting, giving reasons, for the appointment and corresponding roles of the independent auditors.

On 29 April 2014, the members of the Board of Statutory Auditors were appointed, to remain in office until the approval of the financial statements as at 31 December 2016.

Composition	3 standing auditors 3 alternate auditors
Meetings held in 2014	10

NOMINATION AND COMPENSATION COMMITTEE

The Nomination and Compensation Committee, in line with the new Code of Conduct, has the following duties:

- > to submit proposals to the Board of Directors and express opinions regarding the compensation of Chief Executive Officers and other directors holding special positions, as well as monitor the implementation of resolutions passed by the Board of Directors;
- > to periodically assess the compensation criteria for senior managers with strategic roles, oversee their implementation (on the basis of the information provided by Chief Executive Officers) and submit general recommendations on the matter to the Board of Directors;
- > to draw up the regulations that will govern all aspects of the Stock Option Plan and that will be submitted to the Board of Directors for approval;
- > to take all necessary measures to implement the Stock Option Plan, including identifying beneficiaries and defining the number of options to be assigned to each and the related terms of exercise;
- > to set the objectives in terms of economic and/or financial performance, if any, that must be met for beneficiaries to be entitled to exercise the options granted to them;
- > to express opinions, to the Board of Directors, regarding the size and composition of the Board itself and recommending, when appropriate, the inclusion of professional figures whose presence on the Board is considered beneficial, as well as providing advice on the issues mentioned in art. I.C.3 (interlocking directorate) and art. I.C.4 (interlocked positions) of the Code;
- > to submit, to the Board of Directors, nominations for candidate directors in case of co-optation, i.e. when it is necessary to replace an independent member.

Composition	3 directors (3 independents)
Meetings held in 2014	3

AUDIT AND RISK COMMITTEE

The Board Audit and Risk Committee has the following duties:

- > 1) to assist the Board of Directors in defining the internal control system and risk management guidelines, which ensure the proper identification, measurement, management and control of major risks for the issuer and its subsidiaries, as well as to assess whether those risks are compatible with a sound and proper management of the business that is consistent with its strategic targets;
- > 2) to assist the Board of Directors in assessing, at least once a year, the suitability and effectiveness of the internal control and risk management system with respect to the Company's characteristics and risk profile;
- > 3) to approve, at least once a year, the audit plan prepared by the Officer in charge of the Internal Audit Department, after consultation with the Board of Statutory Auditors and the director in charge of the internal control and risk management system;
- > 4) to assist the Board of Directors in specifying, in the corporate governance report, the key elements making up the internal control and risk management system and to express its opinion on the overall suitability of the system;
- > 5) to assist the Board of Directors in assessing, after consultation with the Board of Statutory Auditors, the results disclosed by the legal auditor in any suggestion letter, and in the report on the key issues that emerged during the legal audit;
- > 6) to give its prior approval to the Board of Directors regarding the appointment of the officer in charge of the Internal Audit function and the resources made available to the latter, at the proposal of the director in charge of the internal control and risk management system;
- > 7) to verify - in conjunction with the manager responsible for preparing accounting documents, and after consultation with the auditor and the Board of Statutory Auditors - the proper application of accounting standards and, for groups, their consistency for the purpose of consolidated financial reporting;
- > 8) to express opinions on specific aspects that relate to the identification of the main corporate risks;
- > 9) to review the periodic reports on the assessment of the internal control and risk management system, and particularly important reports prepared by the Internal Audit function;

- > IO) to monitor the independence, suitability, effectiveness and efficiency of the Internal Audit Department, to which it may make requests for audits in certain operating areas, promptly informing the Chairman of the Board of Statutory Auditors;
- > II) to report to the Board of Directors, at least every six months, on activities carried out and on the suitability of the internal control and risk management system concurrently with the approval of the interim and annual financial statements.

The Audit and Risk Committee will also work in coordination with the Board of Statutory Auditors in performing its duties. The Audit and Risk Committee presents its annual budget to the Board and, if urgent, requests assistance from executive directors for expenses incurred. In performing its duties, the Committee may access corporate information and receive assistance from corporate functions and, where necessary, external advisors.

The Committee is composed of non-executive directors, the majority of whom are independent and at least one of whom has appropriate experience in accounting and finance. The members of the Board of Statutory Auditors and the Officer in charge of the Internal Audit Department participate in the work of the Committee.

Composition	3 members (2 independent and 1 non-executive)
Meetings held in 2014	5

SUPERVISORY BOARD (AS PER LEGISLATIVE DECREE 231/2001)

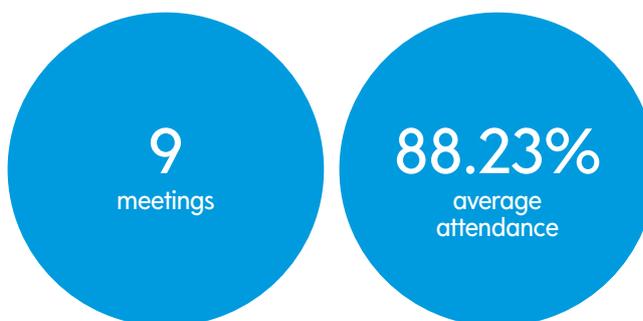
Upon the adoption of the "Organisation, Management and Control Models" as required under art. 6 of Legislative Decree 231/2001 (Liability of Legal Persons), the Company Board of Directors established the Supervisory Board, with responsibility for overseeing the effectiveness, compliance and updating of said models.

Composition	3 members
Meetings held in 2014	6

MEDIOLANUM S.P.A. GOVERNANCE OFFICERS

COMPOSITION OF THE BOARD OF DIRECTORS

The Board of Directors of Mediolanum S.p.A. consists of 14 members, of which 6 are independent (42.8%) and 4 executive members. Two lists were submitted for the Board of Directors and the Board of Statutory Auditors, proposed, respectively, by the participants in the Shareholders' Agreement (majority list) and by shareholders representing, overall, 1.206% of Mediolanum S.p.A.'s share capital (minority list). The members appointed at the shareholders' meeting on 29 April 2014 will complete their mandate with the approval of the financial statements on 31 December 2016. In 2014, Mediolanum S.p.A.'s Board of Directors met 9 times, with an average attendance of 88.23%.



2014								
Position	Name and Surname	Independent	Executive	Women	Audit and Risk Committee	Nomination and Compensation Committee	Meetings attended	Attendance rate
Chairman Of The Board	Secchi Carlo (*)	x					9	100%
Chief Executive Officer	Doris Ennio		x				9	100%
Deputy Chairman	Messina Alfredo		x				9	100%
Executive Deputy Chairman	Doris Massimo Antonio		x				9	100%
Director	Berlusconi Luigi						5	55.56%
Director	Biffi Elena (*)	x		x		x	7	100%
Director	Cannatelli Pasquale						6	66.66%
Director	Lombardi Edoardo (*)		x				8	88.89%
Director	Maviglia Roberto (*)	x					7	100%
Director	Molteni Mario (*)	x			x	x	8	88.89%
Director	Pellegrino Danilo						8	88.89%
Director	Renoldi Angelo (*)	x			x	x	8	88.89%
Director	Scarfone Anna			x	x		7	100%
Director	Zunino de Pignier Maria Alessandra (*)	x		x			8	88.89%
TOTAL	14	6	4	3	3	3		
DIRECTORS ENDING THEIR MANDATE DURING THE FINANCIAL YEAR								
Director	Barbaro Francesco (**)	x				x	2	100%
Director	Carfagna Maurizio						5	83.33%
Director	Sciumè Paolo				x		1	50%
								88.23%

(*) independent, pursuant to Corporate Governance Code and art. 147-ter of the Consolidated Finance Act.

(**) independent, pursuant to art. 147-ter of the Consolidated Finance Act.

(*) remains Executive Deputy Chairman of subsidiary Banca Mediolanum S.p.A.

COMPOSITION OF THE BOARD OF STATUTORY AUDITORS

No. of meetings of the Board during the 2014 financial year: 10

Average attendance: 98.33%

Position	Name and Surname	Meetings attended	Attendance rate
Chairman Of The Board Of Statutory Auditors	Fiorini Stefano	8	100%
Standing Auditor	Perotta Riccardo	9	90%
Standing Auditor	Novati Francesca	8	100%
Alternate Auditor	Gatti Ferdinando	-	-
Alternate Auditor	Meneghel Francesca	-	-
Alternate Auditor	Signani Mario	-	-
AUDITORS DURING THE FINANCIAL YEAR			
Chairman Of The Board Of Statutory Auditors	Simonelli Ezio Maria (*)	1	100%
Standing Auditor	Vittadini Francesco (*)	2	100%
Alternate Auditor / Standing Auditor	Marchesi Antonio (*)	1	100%

(*) On 18 February 2014, due to Chairman of the Board of Statutory Auditors Ezio Simonelli stepping down, standing auditor Francesco Vittadini was appointed Chairman of the Board of Statutory Auditors and alternate auditor Antonio Marchesi was appointed standing auditor.

10
meetings

98.33%
average
attendance

The internal control system

The Boards of Directors of the Parent Company and of all Group companies promote high standards of integrity as well as a culture of control, by raising awareness, among their personnel, of the importance and value of internal controls. Specifically, the Boards of Directors are responsible for the proper functioning of the internal control system; they set guidelines and assess its suitability and effectiveness, with assistance from other internal control structures. In line with the Code of Conduct for listed companies, the Board of Directors of Parent Company Mediolanum S.p.A. set up the Audit and Risk Committee, formerly the Internal Audit Committee, and appointed Mr. Massimo Rotondi as Head of the Internal Audit Department. Within their respective remits, they assist the Board of Directors in:

- > identifying the main corporate risks;
- > implementing the guidelines issued by the Board of Directors on the internal control system through its planning and monitoring.

As envisaged by the Code of Conduct, the Board of Directors appointed Deputy Chairman Mr. Alfredo Messina as officer responsible for the internal control and risk management system. Special importance is given to the robustness of the overall internal control system to ensure compliance with the mandatory provisions of regulatory authorities that apply to Mediolanum S.p.A. and Group companies.

INTERNAL AUDITING

Internal auditing involves independent and objective assurance and consultancy, aimed at verifying the smooth running of operations and the development of risks, as well as assessing the completeness, suitability, functionality and reliability of the organisational structure and of the internal control system as a whole. It pursues these goals through a systematic and professional approach, which adds value by assessing and improving the processes of control, risk management and corporate governance. Internal auditing monitors respect for the rights of all categories of stakeholder (customers, employees, minority and majority shareholders, etc.).

As part of these activities, internal auditors assess the efficiency and effectiveness of the internal control system and its processes and prepare final reports that include any measures planned by management to correct deficiencies.

Internal auditing of Group companies (including the Parent Company Mediolanum S.p.A.) is performed, under individual outsourcing agreements, by the Internal Audit Department of the subsidiary Banca Mediolanum S.p.A.

The Internal Audit Department is separate and independent from operational departments and reports directly to the Boards of Directors and the Board of Statutory Auditors of the respective companies on the outcome of activities carried out. Specifically, as regards Mediolanum S.p.A., the Head of the Department reports to the Deputy Chairman, the Audit and Risk Committee and the Board of Statutory Auditors.

A SUMMARY OF AUDITS PERFORMED

The internal audits conducted on Group companies revealed no critical elements in terms of completeness, suitability, effectiveness or reliability of the Internal Control System, taking into account the measures taken and planned by management, following specific recommendations on specific areas, aimed at strengthening the measures already in place. No factors were found that could compromise the Company's integrity or ethics. Based on this evidence, it can be assumed that the internal control system is sufficient and consistent with the needs of the Group.

AUDIT PERFORMED	2013	2014	% Change
Reports	89	85	-4%
Findings	128	145	13%

List of Companies	2013 REPORTS				2014 REPORTS				
	Adequate	Partially Adequate	Partially Inadequate	Total	Adequate	Partially Adequate	Partially Inadequate	No rating (1)	Total
Banca Mediolanum	26	20	0	46	22	22	1	5	50(*)
Mediolanum Vita	8	3	1	12	7	2	0	0	9
Mediolanum Assicurazioni	9	1	0	10	8	1	0	0	9
Mediolanum Gestione Fondi	11	3	0	14	10	3	0	0	13
Mediolanum S.p.A.	4	0	0	4	1	0	0	0	1
Med. Comunicazione	1	0	0	1	1	0	0	0	1
Med. Fiduciaria	2	0	0	2	0	2	0	0	2
TOTAL	61	27	1	89	49	30	1	5	85

List of Companies	2013 FINDINGS				2014 FINDINGS				
	Moderate	Significant	Critical	Total	Moderate	Significant	Critical	No rating (2)	Total
Banca Mediolanum	57	33	0	90	75	40	0	5	120
Mediolanum Vita	6	8	1	15	4	3	0	0	7
Mediolanum Assicurazioni	2	1	0	3	3	0	0	0	3
Mediolanum Gestione Fondi	11	3	0	14	8	2	0	0	10
Mediolanum S.p.A.	4	0	0	4	0	0	0	0	0
Med. Comunicazione	0	0	0	0	2	1	0	0	3
Med. Fiduciaria	2	0	0	2	1	1	0	0	2
TOTAL	82	45	1	128	93	47	0	5	145

(*) The total also includes 2 reports relating to the 2013 Audit Plan.

(1) 5 Audit reports issued during 2014 with no rating because they relate to "Special Investigation/Plan activities".

(2) Special Investigation Report containing 5 findings with no rating.

RISK MANAGEMENT & CONTROL AND COMPLIANCE

Risk management and risk monitoring are an integral part of the Group's internal control system, and were developed in line with the regulations and guidelines of the regulatory authorities. In 2014, changes were made to the organisational structure of the control departments of Banca Mediolanum S.p.A., in compliance with the Bank of Italy's new regulations - the 15th amendment to circular 263/2006 of 2 July 2013 - which specifically provides for the separation of the Risk Management and Compliance departments.

RISK MANAGEMENT DEPARTMENT

The Risk Management Department is in charge of monitoring the Bank's exposure to financial and credit risk, as well as of assessing the impact on assets of operational and reputational risk, by continuously monitoring capital adequacy with respect to the activities carried out and by providing guidance and coordination on issues related to risk management and control in subsidiaries with specific risk management departments.

The Risk Management Department, therefore, defines and maintains the control and management framework for all the Bank's risks. As such, it is responsible for overseeing Banca Mediolanum's first-pillar risks (credit, market and operational risk) and for carrying out qualitative and quantitative assessment on Basel II second-pillar risks, in compliance with the guidelines of the Board of Directors and current regulations.

It also defines assessment and control procedures for reputational risk, together with the Compliance Department. Risk Management defines the Company's internal policies and regulations relating to all material risks. It also identifies and develops quantitative procedures aimed at managing the Bank's significant first and second-pillar risk. It continuously verifies the suitability of the Risk Appetite Framework of the Bank and of the Group and coordinates the Internal Capital Adequacy Assessment Process (ICAAP) for activities specifically regulated by ICAAP regulations. It reports to the Board of Directors on the various components of the overall risk scenario.

During 2014, the Risk Management Department proposed and defined the quantitative and qualitative parameters needed to draw up the Risk Appetite Framework, which has been adopted by the Bank and by the Group. In addition, it continued with activities covered by ICAAP. The 2014 report confirms the substantial capital strength of Mediolanum Banking Group, even under conditions of stress.

The experience gained from participating in the new Basel 3 impact monitoring exercises, on new capital requirements and liquidity management, has allowed the Risk Management Department to ensure it has all the instruments and skills needed for monitoring liquidity ratios and requirements concerning liquidity requirements reports, as required by the regulatory authorities from the first quarter of 2014.

Following the reorganisation of the Risk Management Department, in compliance with the above-mentioned supervisory authority rules, second-level controls on credit risk have also been strengthened and rationalised. The resulting detailed reports are periodically brought to the attention of senior management.

COMPLIANCE DEPARTMENT

The Compliance Department supervises the management of the risk of non-compliance, following a risk-based approach, focusing on all corporate activities. For those regulatory areas requiring specialised forms of supervision, the Compliance Department makes use of specialised units that are responsible for specific stages of the compliance process.

The Department not only oversees the relevant regulatory framework, it also carries out specialist advisory activities, regulatory alerts, gap analysis, adequacy assessments of Company structures and processes with regard to the current regulatory framework, and identifies corrective measures to mitigate non-compliance risks.

The Compliance Department of Banca Mediolanum S.p.A. oversees non-compliance risk on behalf of the Group's Italian companies with which the Bank has signed specific service agreements. For the Risk Management departments of the Bank and of the Group's Italian companies, the Compliance Department carries out operational and reputational risk assessments, as part of integrated assessment activities. The assessment results are sent periodically to the relevant departments, according to a mutually agreed schedule.

It reports to the Board of Directors on the various components of the overall risk scenario.

In 2014, the Risk Compliance Department duly performed operational and reputational non-compliance risk assessments and identified, where necessary, specific mitigation measures to strengthen existing protections.

Additionally, during 2014, to comply with the Bank of Italy's aforementioned 15th amendment of circular 263, the scope of compliance was expanded to include all regulations applicable to the Bank. This has been duly implemented in the Group Compliance Policy, approved on 18 June 2014.

The assessment activities already comply with all new regulations, while operational assessment activities are currently being brought into line with new regulations, as per the approved compliance model. Overall, the Compliance Department has not detected, within its remit, any criticalities with regards to the completeness, suitability, functionality or reliability of the Company's system of internal controls, although it has provided specific recommendations on specific regulatory areas, to improve current oversight.

Protection of stakeholder interests

ADEQUATE ACCOUNTING AND FINANCIAL REPORTING PROCEDURES

Within the overall internal control system, it is vital to ensure that suitable accounting and financial reporting procedures are in place. Legislators introduced the requirement for issuers to appoint a manager (art. 154-bis of the Consolidated Finance Act, as amended by Law 262/2005 and by Legislative Decree 303) to continually safeguard investors who inject capital into the business.

The manager is the guarantor of the information set out in financial documents regarding third parties and is one of the various managers who work together on shaping an effective Corporate Governance system, i.e. the set of rules and functions that ensure the Company is properly and efficiently governed.

The manager is in charge of signing the accounting reports disclosed to the market and of declaring that the information disclosed is consistent with the Company's accounting figures.

Mediolanum S.p.A., as part of its ongoing commitment to protecting stakeholder interests, appointed Luigi Del Fabbro to the newly created position of manager of accounting and financial reporting documents. To comply with regulatory requirements for the duties of this position, the Company deemed it necessary to define and adopt the 262/05 Corporate Governance model in order to determine the roles, duties and responsibilities of the various personnel involved in accounting and financial reporting procedures. The main focus of the new regulations concern the assessment of the effectiveness and proper application of accounting and financial reporting procedures. In line with these regulations, the manager of accounting and financial reporting documents is responsible for: establishing well-structured processes to ensure accurate accounting and financial reporting along with related controls; assessing the suitability of processes and controls as well as ensuring that operating units effectively and continually carry out such controls; defining and monitoring any corrective measures to be implemented; assessing the effectiveness of the control system and its application through statements and disclosures required by the regulations.

The 262/05 Corporate Governance model is part of the existing complex internal control system of Mediolanum S.p.A and the other consolidated subsidiaries. For Group companies based abroad, given that local regulations may vary from country to country, an executive officer was appointed responsible for taking any necessary measures to enable the manager of accounting and financial reporting documents to fulfil the assigned duties.

The main planning and organisational activities carried out in 2014 with regards to the 262 circular were: updating the 262 Management Model by implementing areas for improvement identified through specific projects, carried out with the cooperation of leading

consulting firms and aimed at assessing whether the model complies with current legislation and with the market's best practices, as well as ensuring, on an ongoing basis, the effectiveness and operational efficiency of the model; updating the scope of analysis for circular 262 purposes, following the principle of materiality defined in the "Policy for Managing the Duties of the Manager Responsible - Law 262/2005"; reviewing administrative and accounting risk, following a risk-based approach, and updating all procedures deemed relevant to 262 regulations; collecting all statements issued by personnel responsible, as required by the Policy; operational assessments, carried out by the 262 Testing Unit, to ensure the effectiveness of the identified controls; supporting foreign subsidiaries under the scope of the 262 regulations, in order to carry out the activities envisaged by the model in use.

In the light of the activities and assessments outlined above, the management model was found, overall, to be in line with the rules and regulations relating to Law 262/05, as well as being for the most part aligned with leading market practices and cogent in all its main elements.

INDEPENDENT AUDITORS

In 2011, Deloitte & Touche S.p.A were appointed financial auditors of the separate and consolidated financial statements, as well as the interim report, for nine financial years (2011-2019), in accordance with the law.

Rules of conduct

The Group has two Codes setting out rules of conduct.

The Code of Ethics sets out the general obligations of due diligence, fairness and integrity which should characterise behaviour in the workplace and business conduct in general. The Code is a binding set of principles for employees and individuals working for Mediolanum, fundamental to ensure the effective operation, reliable governance and reputation of the Group.

The Code of Conduct is based on the general guidelines set out in the Code of Ethics and further details the rules of conduct for members of governing and supervisory bodies, agents, employees and contract workers, with specific reference to certain companies within the Group. Codes of Conduct are regularly updated to reflect changes in the regulatory environment, organisational models and processes in order to have common, clear and transparent rules that ensure the ethical conduct of all the people within the organisation.

The key rules of conduct regulate workplace Internet use as well as personal transactions made by Group employees and contract workers, and impose upon them the obligation not to disclose any confidential or insider information, and not to accept gifts that, due to their nature or value, may potentially lead to behaviour in conflict with the interests of investors or the Company. Mediolanum Group companies abroad have also adopted their own Codes of Ethics and Codes of Conduct, containing binding principles and rules of conduct that employees and contract workers must comply with in their daily work, in accordance with local regulations and the parent Company's guidelines.

During the year, a specific Social Media Policy was adopted, setting out mandatory regulations for employees, financial advisors and people working for Mediolanum Group companies. It applies both in the workplace and elsewhere, and regards online communications via such means as forums, blogs, social networks, etc., for professional or personal purposes. The latter applies in the event that the communication has or might have some relevance to an employee's professional life, or in any case might reflect upon the image of the Bank or of one of the Mediolanum Group companies.

CODE OF ETHICS



Since 2002, Group companies have adopted a Code of Ethics, i.e. a set of internal rules aimed at mitigating operational and reputational risk as well as promoting a widespread culture of internal control. The Code also plays a role in the prevention of crimes covered by Legislative Decree 231/2001, as it contains a series of corporate ethics principles recommending, promoting or forbidding specific behaviour, regardless of regulatory provisions.

The Code of Ethics, the result of active consultation and participation by the various stakeholders, is aimed at disseminating ETHICAL VALUES that reflect the Company's principles, as well as providing a concrete response to its stakeholders: employees; suppliers; customers; partners; local communities and institutions, indicating specific commitments in their regard in terms of the principles of conduct and control.

The Group's stakeholders, however, are also requested to respect such values, creating a reciprocal relationship. The Code is divided into two sections: the first section deals with values, the second with rules of conduct. The idea is that this structure will underline the key values behind the business activities of Mediolanum S.p.A. and the Group companies, as well as the rules to which they are subject as they carry out their daily work.

These key ethical values reflect the entrepreneurial spirit that has always been central to the Mediolanum Group: *"To believe success is possible while at the same time helping people"*.

The values set out in the Code of Ethics are:

- > freedom;
- > excellence;
- > respect;
- > transparency;
- > integrity;
- > fairness.

These key values are set out in the Rules of Conduct - specific and mandatory commitments for every employee, helping to build a business culture consistent with such underlying values.

The principles of conduct and control concern:



business relationship management;



the conduct of employees and contract workers;



socially responsible behaviour;



occupational safety;



environmental protection;



the role of the internal control system.

There are also rules on:

- > implementing and promoting the Code;
- > dealing with reports of alleged violations;
- > imposing sanctions for violations.

The Code was drafted by a working group made up of representatives from all departments overseeing the principles of conduct and control imposed by the Code.

An independent Ethics Committee in charge of promoting and updating the Code, and of evaluating alleged irregularities, was set up at Mediolanum S.p.A., the Group holding company. The Committee comprises representatives from all the corporate departments that play a key role in the internal control system:

- > Internal Auditing;
- > Compliance;
- > Risk Management;
- > Sales Network and Anti-Money Laundering Inspectorate;
- > Human Resources;
- > Sales Department.

CODE OF CONDUCT

The Code of Conduct of Banca Mediolanum S.p.A. and the Code of Conduct of Mediolanum Gestione Fondi S.G.R.p.A. were updated in 2012 and 2014 respectively and detail the rules that Group employees are required to observe in the course of their daily duties. The key regulations are set out below:

- > 1) Confidential or insider information, whether verbal or electronic, shall not be disclosed.
- > 2) Confidential or insider information received from third parties, or by virtue of a position held, shall not be used for personal dealings, including via third parties.
- > 3) Speculative investments are prohibited during working hours. Intraday trading is prohibited, i.e. the purchase and sale of the same share on the same day.
- > 4) Personal dealings - including in the name or on behalf of third parties - in trading derivatives, other derivatives (futures, options, swaps), short selling, as well as dealings with a frequency that suggests speculative purposes other than those associated with normal investment transactions, are prohibited during working hours.
- > 5) Any activity or transaction in which Group employees may have significant personal interests or interests which may be in conflict with those of the Company, of customers/prospects and/or managed assets, shall be fully disclosed.
- > 6) Any gift that, due to its nature or value, may potentially lead to behaviour in conflict with the interests of investors or the Company, may not be accepted.

Business continuity

Business continuity and the provision of services to customers are dependent upon the proper operation of the processes and infrastructure of computer and telecommunications technology. This is particularly true for an organisation like the Mediolanum Banking Group, in which technology-based channels allowing customers direct access to services (e.g. the Internet, the Banking Services Centre, Mobile Banking and television) are the keystones of its business model. The Mediolanum Group's service model has long stood out for its high service reliability and the security of its customer-oriented IT resources.

The Group is equipped with suitable systems to ensure business continuity and the continuous monitoring of the proper functioning and scaling of all components to ensure the delivery of services. This entails developing reliable control mechanisms regarding critical business processes, by investing in technology to ensure service delivery continuity, by constantly monitoring processes, as well as by establishing and disseminating alternative procedures to those currently in use in order to ensure business continuity in the event of failures or crises.

Due to the close correlation between technology and operational processes, the Information Systems Department and the Organisation Department of Banca Mediolanum work together on the Company's extensive business continuity plan, identifying measures for achieving targets set and focusing on two key lines of action.

From a technology standpoint, all activities required to ensure infrastructure efficiency and security were analysed, with continuous monitoring of the corresponding equipment. This ensured the delivery of services even in the event of failures or incidents. From an organisational standpoint, operational procedures were developed to ensure business continuity across a wide range of crisis scenarios (from temporary disruptions to emergency situations, severe crises or catastrophes). The procedures were designed, tested and maintained in cooperation with the various users. A Crisis Team was established to coordinate and manage the various stages of a crisis until business is resumed. The team is composed of the heads of various departments and is responsible for coordinating all steps taken in the management of the crisis. Banca Mediolanum not only provides information technology services but also manages, via intercompany service agreements, business continuity for the Group's Italian companies whose products are sold by the Bank. The Group carries out a variety of tests on an annual basis, as well as updates and upgrades to its processes and systems to reflect any changes in internal processes and product innovation, as well as to ensure the organisation's infrastructure keeps pace with the rapidly changing market environment and business needs of the Company.

Awards and recognition

Banca Mediolanum has been rewarded for its considerable commitment to innovation and customer relations. Presented below are the awards received in 2014, which reflect the company's core values such as freedom, relations, commitment, and innovation.

Awards 2014



COMMITMENT

AWARD: "ABI" BANKING INNOVATION AWARD

Category: "Responsible and sustainable bank"
Project Title: We Can All Grow Together

Subject: Banca Mediolanum donated around €160 million and accepted €5 million in lost revenues to provide financial aid and credit facilities. This is an example of a sustainability initiative to benefit major stakeholders, acting quickly, practically, innovatively and efficiently to provide substantial and tangible support to people experiencing temporary hardship.

AWARD: "LE TECNOVISIONARIE" (WOMEN & TECHNOLOGY)

Category: "WomenSustainability"
Manager: Sara Doris

Subject: the annual international "Le Tecnovisionarie®" award is given to women who have shown vision, a focus on social impact, transparency and ethics in their work. They are "Women in Technology" in research, innovation and business, social and environmental sustainability sectors.



FREEDOM

AWARD: POSITIVE BUSINESS AWARD

Category: "Positive Business Training"
Project Title: Mediolanum Corporate University

Subject: training project for internal staff, sales networks and distributors with the greatest success in building resilience, stability and positivity, bringing about important changes and results for the organisation.



RELATIONS

AWARD: "BANCA E TERRITORIO" (BANK AND REGION)

Category: "Iniziative a sostegno dell'arte e della cultura"
Project: Primafila

Subject: prize for corporate social responsibility initiatives implemented by banks.

AWARD: EUBEA - EUROPEAN BEST EVENT AWARDS

Category: "Musical Event" - 2nd prize
Project: Mediolanum Music Box

Subject: "Music Box" is a Team Building event to celebrate Christmas. Its format is halfway between a talent-show and a musical, designed to celebrate the artistic skills of employees and stimulate team building, with people at its heart.

AWARD: BEA - BEST EVENT AWARDS ITALIA

Category: "Best Event" - 1st prize
Category: "Team Building" - 3rd prize
Project: Mediolanum Music Box

Subject: Music Box è un evento di Team Building per festeggiare il Natale. Format a metà tra talent e musical, finalizzato a esaltare le doti artistiche dei dipendenti e al contempo a creare team building. Mettendo al centro le persone.

AWARD: BEA - BEST EVENT AWARDS ITALIA

Category: "Sport Event" - 3rd prize
Project: Mediolanum Giro d'Italia

Subject: In 2014, Banca Mediolanum continued its sponsorship of the Giro d'Italia cycle race and in particular the Blue Jersey of the King of the Mountains competition - a symbol of Italy. The King of the Mountains competition reflects individual strength, but also teamwork, unity and judicious use of energy - all values that are strongly aligned with Banca Mediolanum's mission.



INNOVATION

AWARD: "MF INNOVAZIONE AWARD"

Category: "Accident and Health"
Project: Mediolanum Premium Care & Protection

Category: "Protection"
Project: Personal Life Serenity

Category: "Payment cards"
Project: Freedom Easy card

Subject: prize for distinctive products on the market, according to their ability to meet customer needs in terms of innovation and convenience: the award was given to the new Banca Mediolanum registered prepaid card, an innovative solution to managing expenditure.

02. FINANCIAL INDICATORS



Financial and economic performance

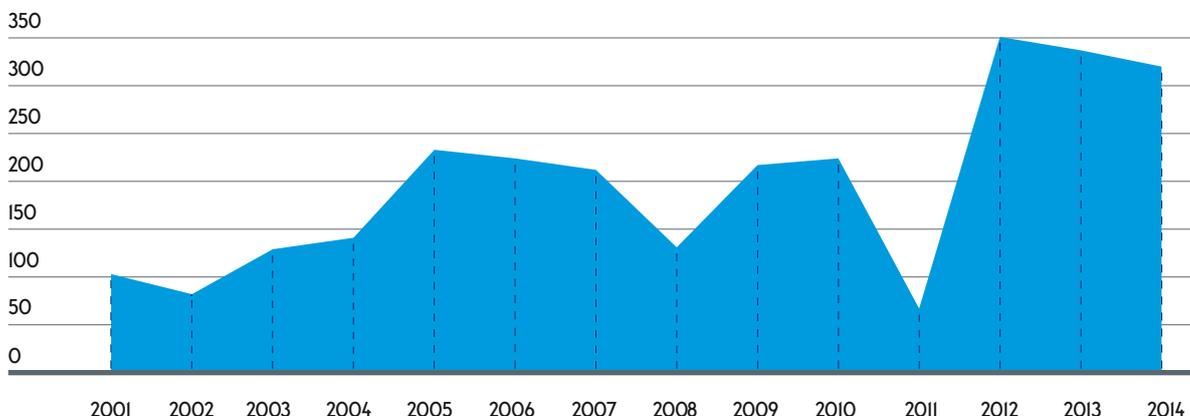
CONSOLIDATED AND ITALIAN RESULTS

	Group net profit	Group assets under management and administration	Domestic market net profit	Domestic market assets under management and administration
2001	103.000	21.020	120.000	18.347
2002	82.000	21.134	121.000	18.791
2003	129.000	23.654	164.000	21.054
2004	141.000	25.976	174.000	23.335
2005	233.000	30.399	250.000	27.556
2006	224.000	33.275	223.000	30.378
2007	212.000	34.602	209.000	31.910
2008	131.000	29.532	144.000	27.878
2009	217.000	40.394	224.000	38.529
2010	224.000	45.849	234.000	43.886
2011	67.000	42.207	75.000	44.275
2012	351.000	51.577	349.000	49.334
2013	337.000	57.832	319.000	55.010
2014	320.617	64.457	308.000	60.990

NOTE: Amounts in millions of €

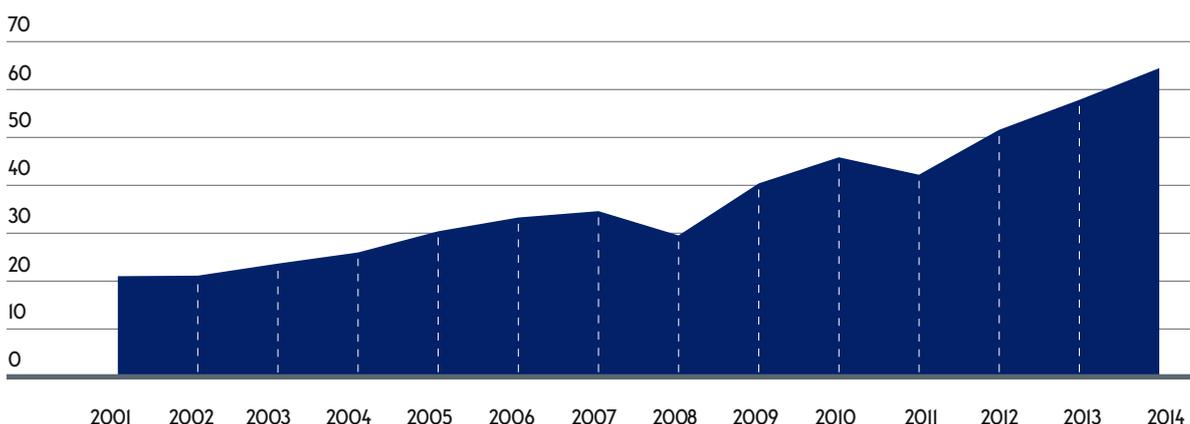
Group net profit

Amounts in millions of €



Group assets under management and administration

Amounts in millions of €



Embedded value

Calculation and distribution

Taking into account the "embedded value" is key to better understanding the evolution of Mediolanum Group's performance: therefore, information prepared with the assistance and supervision of Towers Watson is provided.

As regards the Market Consistent Embedded Value (MCEV) of the life business, the Mediolanum Group adopts the principles established by the CFO Forum (the organisation comprising all the CFOs of the leading European insurance groups), while for the other businesses (Asset Management and Banking) it follows the Market Consistent European Embedded Value principles.

"Embedded Value" is the sum of shareholders' equity (adjusted to the market value of assets) plus the value of in-force business. For life business, the value of in-force business is the present value of the stream of future post-tax profits projected over the contract life and adjusted for the cost of maintaining a certain level of required capital and for the cost of non-hedgeable risk. The value of in-force business for mutual funds, managed accounts and the banking business is calculated, wherever possible, in a way similar to that of the life policies in-force.

The embedded value figures for 2014 are being restated.

SUMMARY OPERATING AND FINANCIAL FIGURES

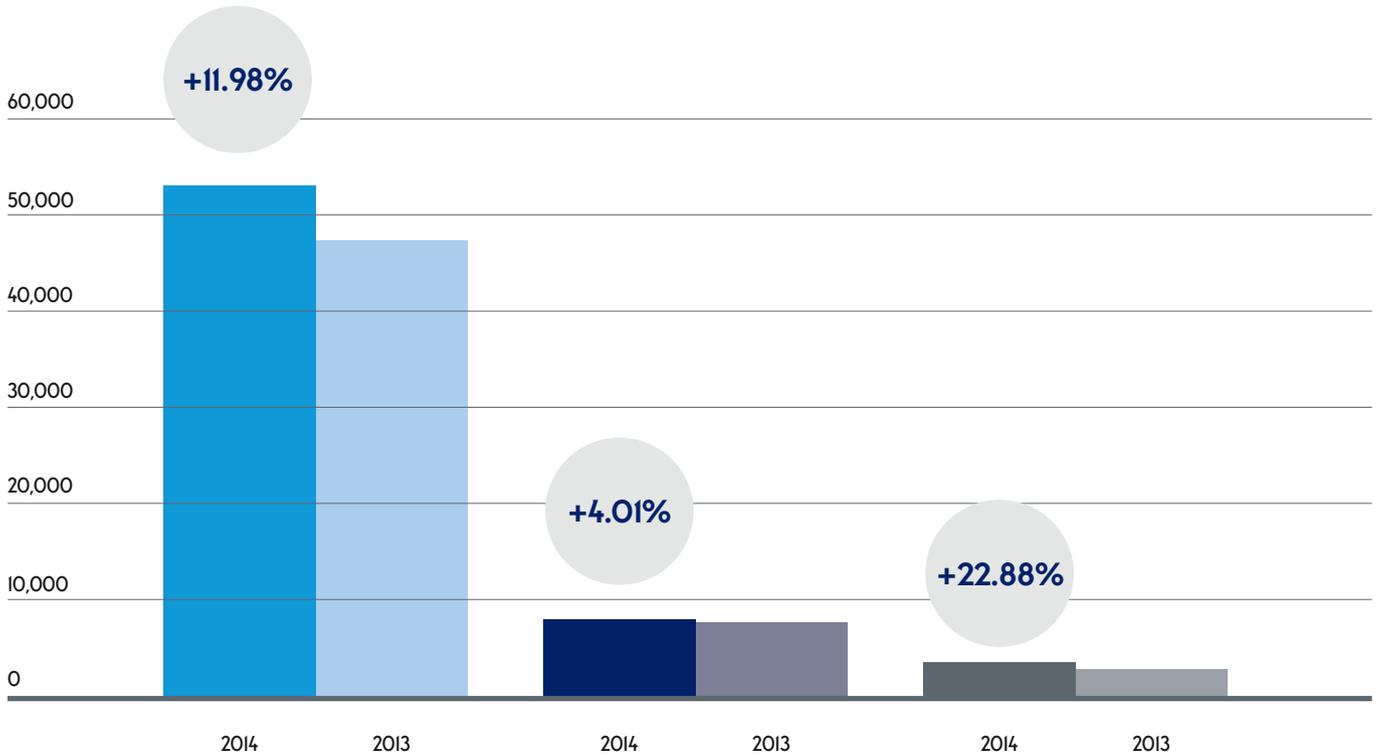
GROUP BUSINESS			
Asset Management			
	2014	2013	% change
Ordinary Shares outstanding (number)	737,436,998	736,001,807	0.19%
Group (€/m)			
	2014	2013	% change
Group assets under management and administration	64,457	57,832	11.46%
Embedded Value Post-Acquisitions	n.a.	3,999	n.a.
Revenues	5,349	6,273	(14.74%)
Profit before tax	453	544	(16.76%)
Income tax	132	207	(36.25%)
Net profit	321	337	(4.74%)
Dividend	199	184	8.21%
Dividend per share	0.27	0.25	8.00%
Mediolanum Domestic Market			
Total Customers	1,081,797	1,042,908	3.73%
Total Primary Account Holders	907,105	878,127	3.30%
Current Accounts*	774,499	729,208	6.21%
Sales Network	4,386	4,407	(0.48%)
Assets under Management & Administration (€/m)	53,033	47,360	11.98%
Total Net Inflows (€/m), of which:	4,082	3,339	22.27%
Net Inflows to Assets under Management	4,095	3,069	33.42%
Structured Bonds	(239)	(67)	256.72%
Net Inflows to Assets under Administration	226	337	(32.64%)
Banca Esperia*** (€/m) Assets under Management & Administration	7,957	7,650	4.01%
International Markets (€/m)			
Assets under Management & Administration International Markets	3,467	2,821	22.88%
	2014	2013	
EPS: Earnings per share	0.43	0.46	
DP: Dividend per share	0.27	0.25	

* Figures include the InMediolanum deposit account

*** Mediolanum shareholding (50%)

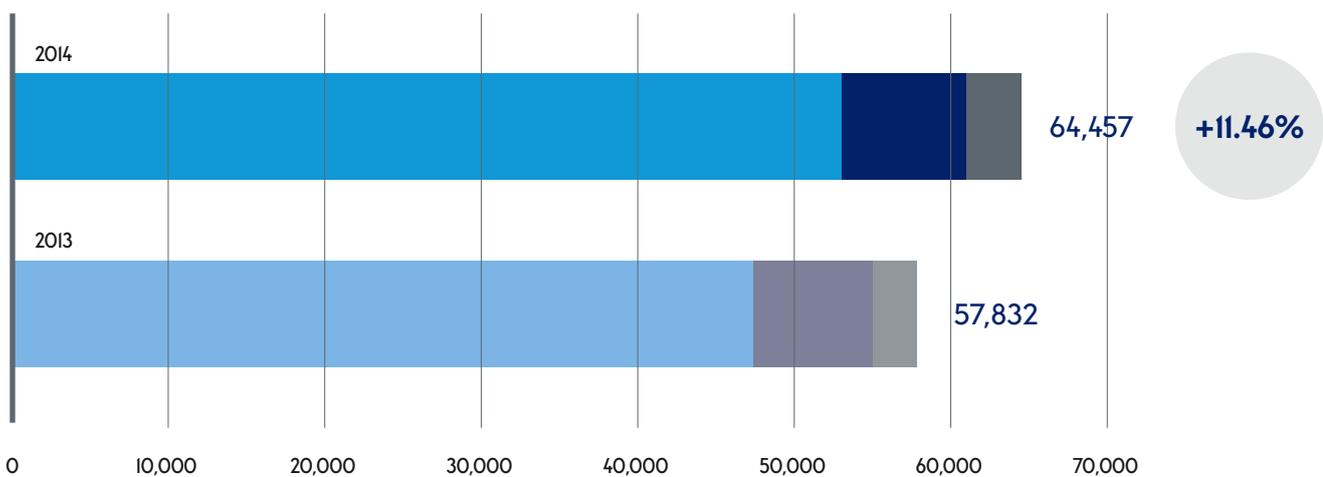
Assets managed and administered by the Group - domestic and foreign markets

● Mediolanum Domestic Market ● Banca Esperia*** ● International Markets



Total assets managed and administered by the Group

● Mediolanum Domestic Market ● Banca Esperia*** ● International Markets



*** Mediolanum shareholding (50%)
Amounts in millions of €

Value added for stakeholders

CALCULATION AND DISTRIBUTION OF VALUE ADDED

Method

Value added expresses the value created by the company during the year (calculated as the difference between the sales price and production costs of goods and services) and represents the bridge between the Consolidated Report and the Social Report. For the calculation of value added, income statement items are in fact reclassified to highlight the processes through which value is generated and distributed, and the relationship between the company and its social and business partners - especially some of its key stakeholders - is quantified in monetary terms as follows:

- > dividends that are paid out to the shareholders (shareholders);
- > wages and salaries, social security contributions, completion-of-service entitlements, compensation paid to human resources (employees, contract workers and the Sales Network);
- > direct and indirect taxes paid to the Government and its agencies; fees paid to supervisory authorities and trade associations (the Government, government agencies and institutions);
- > charitable projects for the community (the community at large);
- > earnings retained by the company to be reinvested in the business to ensure that the business is efficient and keeps growing (the company).

The two tables below show the creation and distribution of value added for income statement items of our domestic market (Italy) as reported in Segmental Financial Information as of 31 December 2014, 31 December 2013 and 31 December 2012, under Part L of the Notes to the 2014 Annual Consolidated Financial Statements.

GENERATION OF CONSOLIDATED VALUE ADDED - ITALIAN MARKET

Amounts in € thousands

Financial year	2014	2013	2012
1 NET SALES			
2 Net premiums written	3,741,834	4,673,139	7,922,819
3 Amounts paid and changes in technical reserves	(3,705,023)	(4,639,138)	(7,908,540)
4 Commission income	1,010,772	950,678	850,228
5 Commission expense (1)	(38,709)	(36,212)	(29,615)
6 Net financial income	201,017	269,546	395,154
7 Net income on other investments	18,482	100,107	(45,799)
8 Other revenues	25,800	22,142	25,183
9 TOTAL NET SALES	1,254,173	1,340,262	1,209,430
10 COSTS			
11 General and administrative expenses (3)	(210,294)	(161,813)	(161,260)
12 Net impairment	(27,795)	(14,235)	(11,501)
13 Provisions for risks and charges (1) (*)	(31,997)	(5,223)	(13,603)
14 TOTAL COSTS	(270,086)	(181,271)	(186,364)
15 GROSS VALUE ADDED FROM ORDINARY OPERATIONS	984,087	1,158,991	1,023,066
16 Profit/(loss) from discontinued operations	212	(28)	(26)
17 Profit/(loss) from disposal of investment (2)	92,273	(21,384)	(1,969)
18 TOTAL GROSS VALUE ADDED	1,076,572	1,137,579	1,021,071
19 Amortization and depreciation (3)	(16,834)	(15,925)	(9,950)
20 Impairment of goodwill			
21 TOTAL NET VALUE ADDED	1,059,737	1,121,655	1,011,121
22 Cost of labour			
23 - Employees (3)	(146,544)	(143,568)	(134,189)
24 - Sales network (1)	(414,829)	(406,091)	(342,646)
25 Gifts and donations (3)	(5,898)	(7,171)	(8,525)
26 Direct and indirect taxes (3)	(56,931)	(46,372)	(36,494)
27 PROFIT BEFORE TAXES AND MINORITY INTERESTS	435,536	518,453	489,266
28 Income tax for the period (*)	(127,475)	(199,443)	(140,714)
29 Minority interests	0	0	0
30 NET PROFIT	308,061	319,010	348,552

(1) - (2) - (3) The figure differs from that reported in the reclassified income statement due to the separate indication of the amounts relating to the items reported after Total Net Value Added.

02. FINANCIAL INDICATORS
VALUE ADDED FOR STAKEHOLDERS

Financial Year	2014	2013	2012	
1	DISTRIBUTION OF TOTAL GROSS VALUE ADDED			
2	Shareholders	199,004	183,938	132,104
3	- dividend to third-party shareholders	199,004	183,938	132,104
4	Employees	146,544	143,568	134,189
5	Sales Network	414,829	406,091	342,646
6	Government, gov. agencies, regulatory authorities	184,406	245,815	177,208
7	- direct and indirect taxes	56,931	46,372	36,494
8	- income tax for the period	127,475	199,443	140,714
9	Community	5,898	7,171	8,525
10	- gifts and donations	5,898	7,171	8,525
11	Company	151,003	150,997	225,675
12	- amortisation and depreciation	16,834	15,925	9,950
13	- impairment of goodwill	0	0	0
14	- foreign operations	12,556	(17,570)	(2,468)
15	- retained earnings	121,613	152,642	218,193
16	Total Gross Value Added	1,101,684	1,137,579	1,020,348

	Financial Year 2014	Financial Year 2013	Financial Year 2012	Financial Year 2013 (%)	Financial Year 2012 (%)	
1	DISTRIBUTION OF TOTAL GROSS VALUE ADDED					
2	Shareholders	199,004	183,938	132,104	16%	13%
4	Employees	146,544	143,568	134,189	13%	13%
5	Sales Network	414,829	406,091	342,646	36%	34%
6	Government, gov. agencies, regulatory authorities	184,406	245,815	177,208	22%	17%
9	Community	5,898	7,171	8,525	1%	1%
11	Company	151,003	150,997	225,675	13%	22%
16	Total Gross Value Added	1,101,684	1,137,579	1,020,348	100%	100%

14%
COMPANY

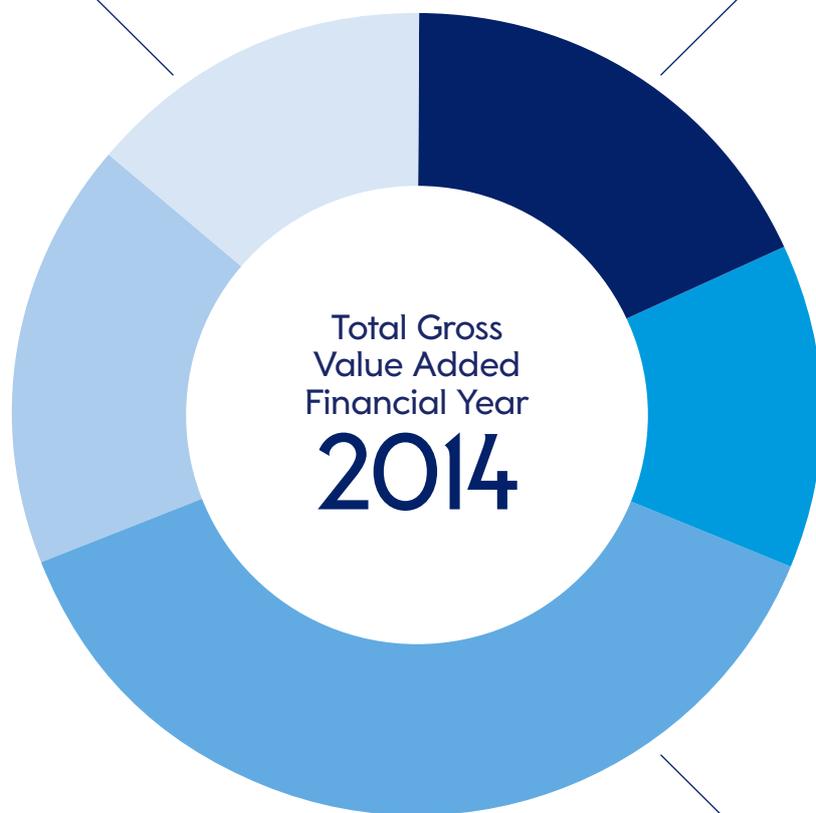
18%
SHAREHOLDERS

17%
GOVERNMENT,
GOV. AGENCIES,
REGULATORY
AUTHORITIES

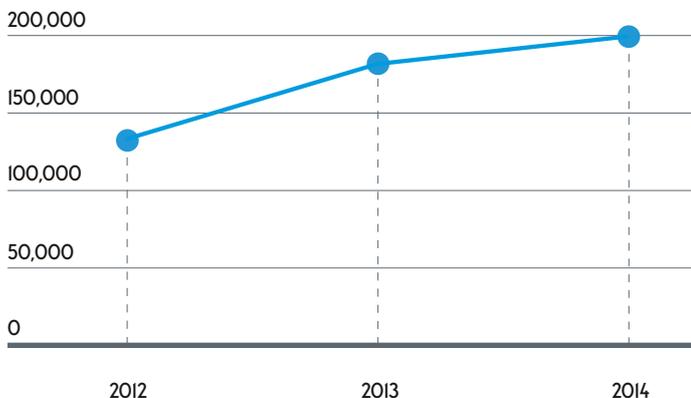
13%
EMPLOYEES

0%
COMMUNITY

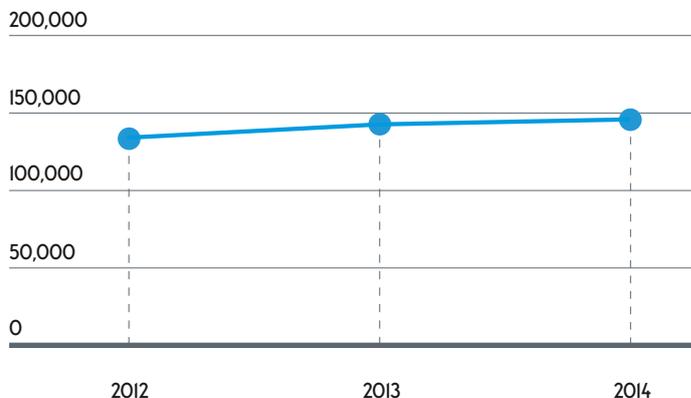
38%
SALES
NETWORK



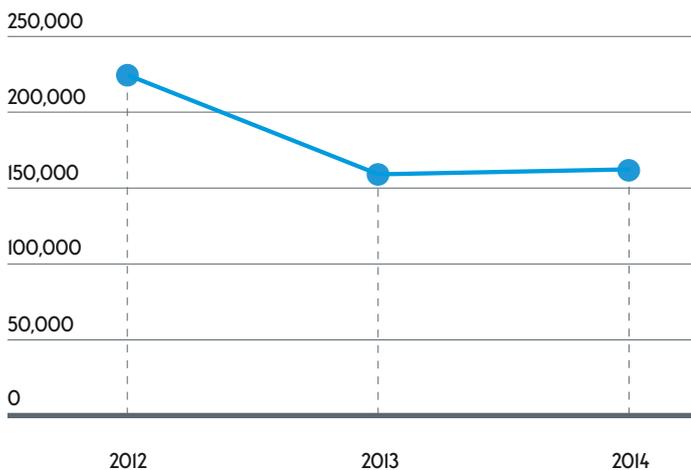
Distribution of Total Gross Value Added
SHAREHOLDERS



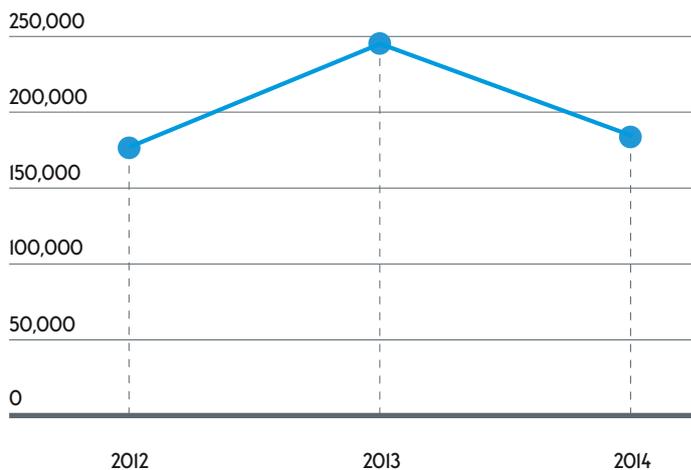
Distribution of Total Gross Value Added
EMPLOYEES



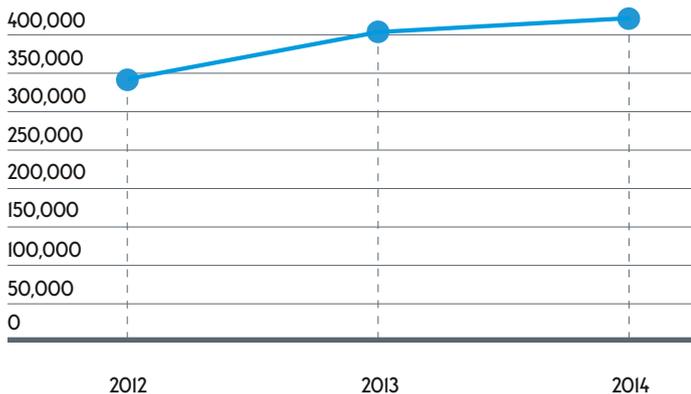
Distribution of Total Gross Value Added
COMPANY



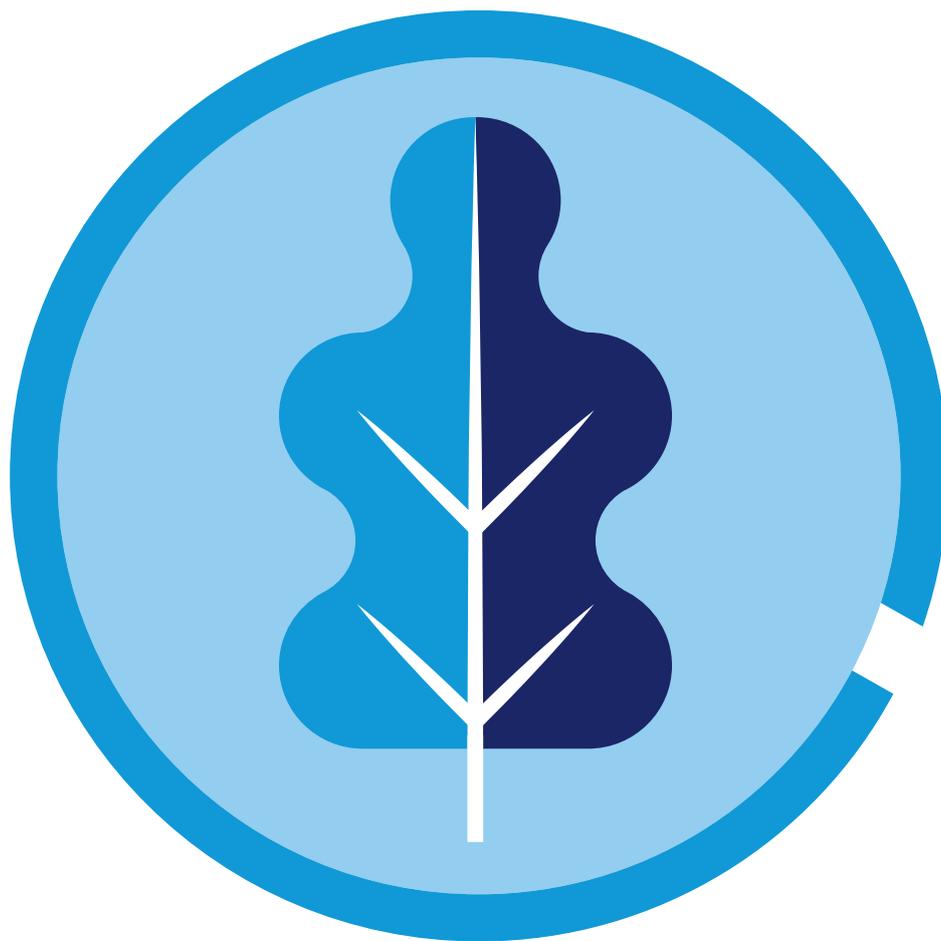
Distribution of Total Gross Value Added
GOVERNMENT, GOV. AGENCIES, REGULATORY AUTHORITIES



Distribution of Total Gross Value Added
SALES NETWORK



03. SOCIAL INDICATORS



Customers

Analysis of customers

No. Primary Account Holders (natural and legal persons)

	2012	2013	2014
TOTAL (without duplications)	879,200	878,127	907,105

No. of Contracts (natural and legal persons)

(funds, third-party funds, life insurance, asset management, current account, securities accounts, insurance products, mortgage, loan, credit, credit cards, debit cards, certificates, deposit account, time deposit)

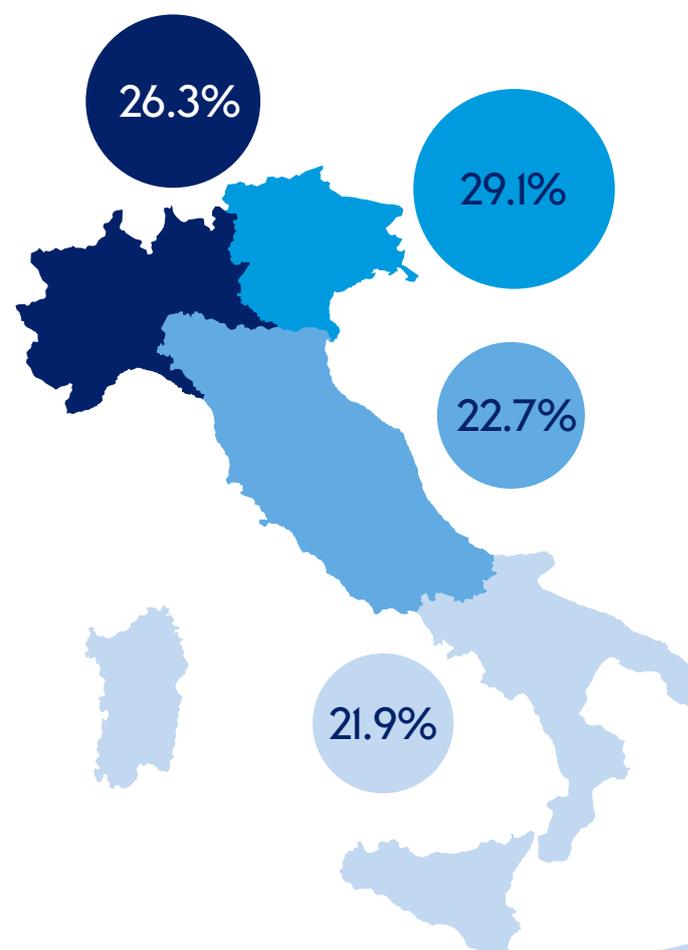
	2012	2013	2014
TOTAL	3,266,982	3,229,429	3,297,321

No. of Total Customers (natural and legal persons)

	2012	2013	2014
TOTAL (without duplications)	1,040,448	1,042,908	1,081,797

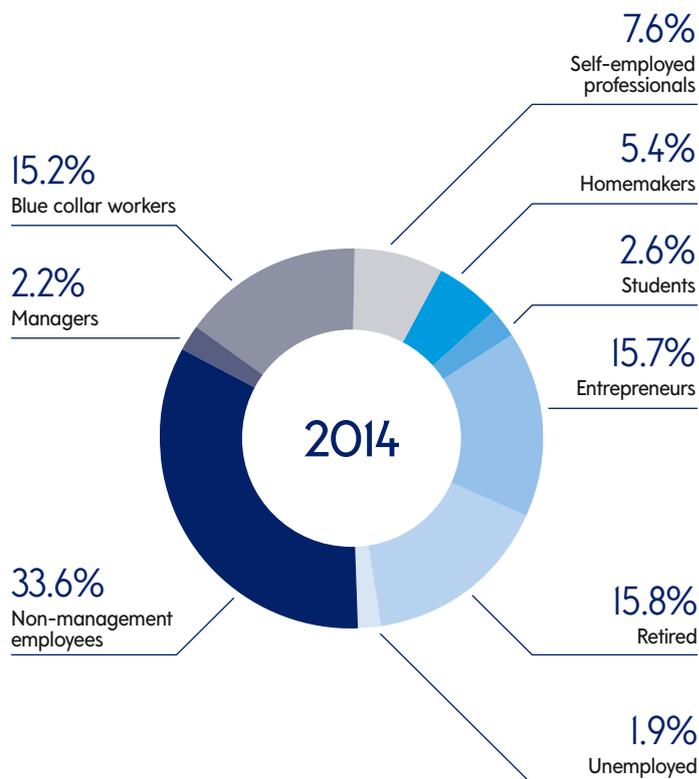
Breakdown of primary account holders by geographic area (natural and legal persons, Mediolanum group customers)

	2012	2013	2014
North West	27.0%	26.7%	26.3%
North East	29.6%	29.7%	29.1%
Central	22.6%	22.7%	22.7%
South and Islands	20.7%	20.9%	21.9%
TOTAL ITALY	100.0%	100.0%	100.0%



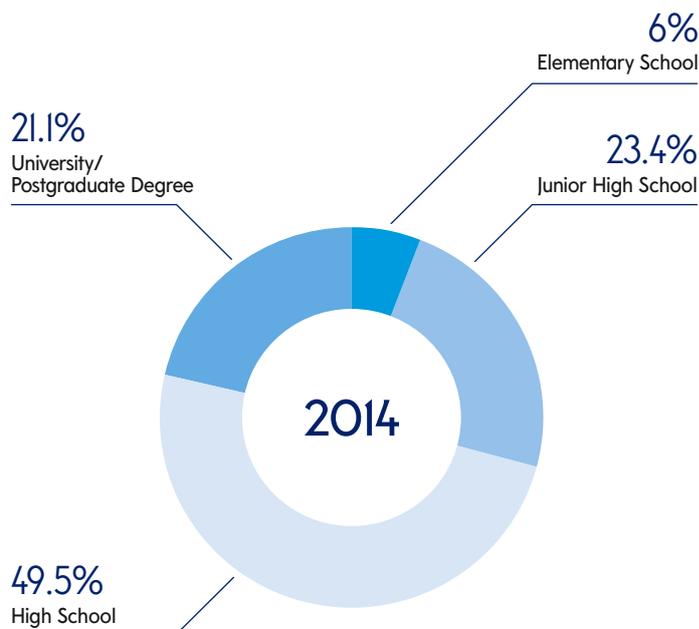
Breakdown of primary account holders by professional category
(natural and legal persons, Mediolanum group customers)

	2012	2013	2014
Non-management employees	33.5%	33.5%	33.6%
Entrepreneurs	15.8%	15.8%	15.7%
Blue collar workers	14.7%	14.9%	15.2%
Self-employed professionals	8.7%	8.1%	7.6%
Retired	15.2%	15.7%	15.8%
Homemakers	5.8%	5.5%	5.4%
Students	2.6%	2.5%	2.6%
Managers	2.2%	2.3%	2.2%
Unemployed	1.4%	1.7%	1.9%
TOTAL	100.0%	100.0%	100.0%



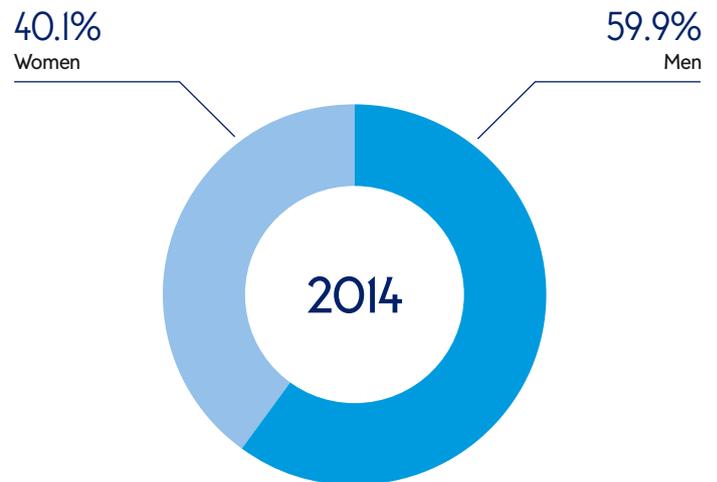
Breakdown primary account holders by level of education
(natural and legal persons, Mediolanum group customers)

	2012	2013	2014
Elementary School	6.5%	6.2%	6.0%
Junior High School	23.8%	23.6%	23.4%
High School	49.9%	49.6%	49.5%
University/ Postgraduate Degree	19.8%	20.6%	21.1%
TOTAL	100.0%	100.0%	100.0%



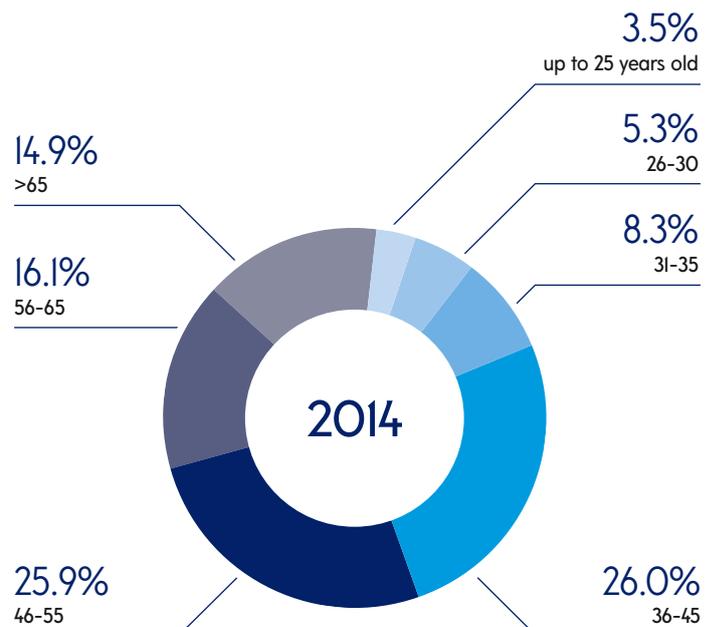
Breakdown by gender
(natural and legal persons, Mediolanum group customers)

	2012	2013	2014
Men	60.1%	60.0%	59.9%
Women	39.9%	40.0%	40.1%
TOTAL	100%	100%	100%



Breakdown by age group
(natural and legal persons, Mediolanum group customers)

	2012	2013	2014
up to 25 years old	3.2%	3.3%	3.5%
26-30	5.5%	5.3%	5.3%
31-35	9.1%	8.6%	8.3%
36-45	27.6%	26.9%	26.0%
46-55	25.1%	25.6%	25.9%
56-65	15.8%	16.0%	16.1%
>65	13.6%	14.3%	14.9%
TOTAL	100.0%	100.0%	100.0%
Average age	49.2	49.6	49.9



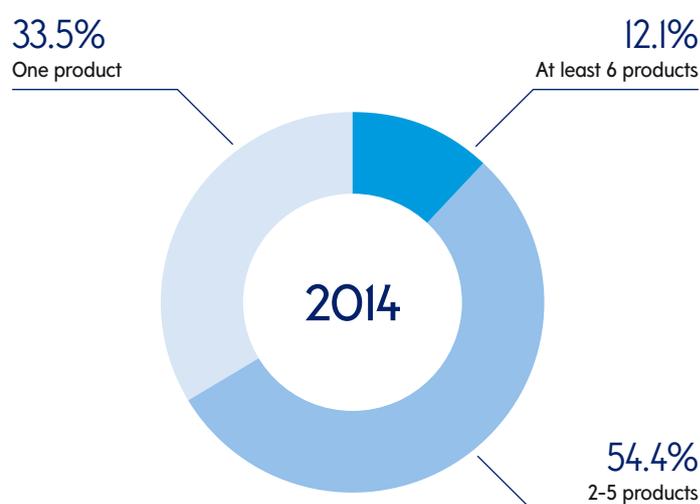
Average customer seniority
(natural and legal persons, primary account holders)

	2012	2013	2014
Average customer seniority	10.2	10.5	10.7

Cross selling
(natural persons, primary account holders)

Product types: Current Accounts, Credit Cards, Securities Accounts (excluding Medplus Bonds), Systematic Investment Plans (SIP) and Managed Accounts, Unit Cost Averaging, Structured Products (Medplus Synergy and Index Bonds), Retirement Plans, Life Systematic Investment Plans (SIP), Life Unit Cost Averaging, Insurance products, Life Systematic Investment Plans (SIP), Life Unit Cost Averaging, Insurance products, Financing, Direct Debit, Emoluments.

	2012	2013	2014
Average number of products held	2.814	2.865	2.916
% out of total customers			
At least 6 products	11.7%	11.8%	12.1%
2-5 products	50.6%	52.4%	54.4%
One product	37.7%	35.8%	33.5%



Customer retention
(natural and legal persons)

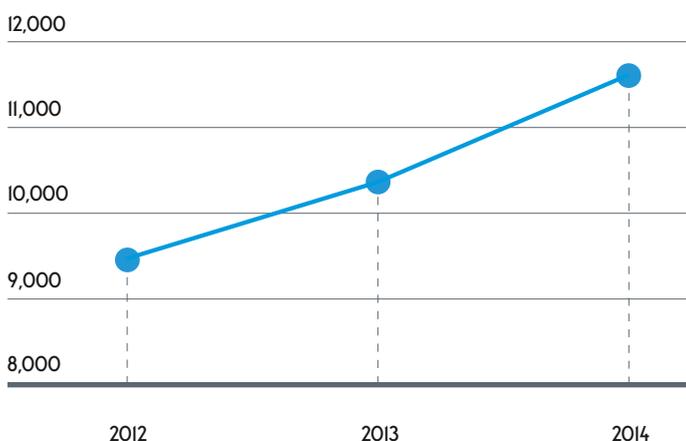
Year	Mediolanum Group
2001	95.59%
2002	94.83%
2003	94.42%
2004	94.12%
2005	94.13%
2006	93.93%
2007	93.03%

Year	Mediolanum Group
2008	93.38%
2009	92.94%
2010	91.95%
2011	92.23%
2012	91.94%
2013	92.02%
2014	94.07%

Customers per family banker

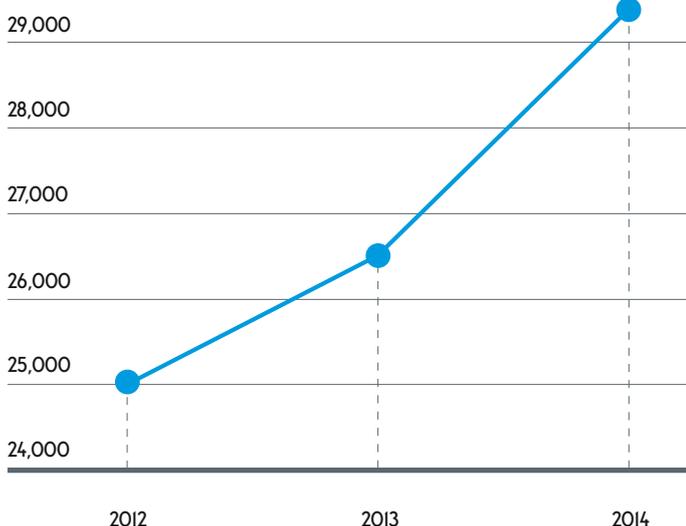
	2012	2013	2014
Average customers per Family Banker®	198	194	202
Average assets per Family Banker® (€/1,000)	9,482	10,327	11,695

Average assets per Family Banker® (€/1,000)



	2012	2013	2014
Average customers per Private Banker®	186	177	184
Average assets per Private Banker® (€/1,000)	25,044	26,512	29,386

Average assets per Private Banker® (€/1,000)



Customer satisfaction

In 2014, working in partnership with DOXA, Banca Mediolanum carried out its usual customer satisfaction survey to assess the level of satisfaction of its customers.

A sample group of 4.500 Banca Mediolanum account holders was interviewed, and the results were then compared with a sample of account holders from the major Italian retail banks.

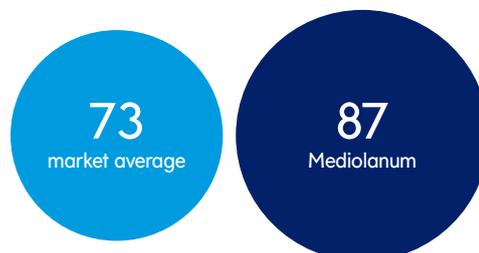
The survey analysed:

- > Reasons for choosing Banca Mediolanum;
- > Relationships with other banks;
- > The Bank's image;
- > Ways in which the bank services are used (financial advisors, Internet banking, customer services, app);
- > Level of satisfaction with the financial advisor, channels, products, promotions, communications and services offered.

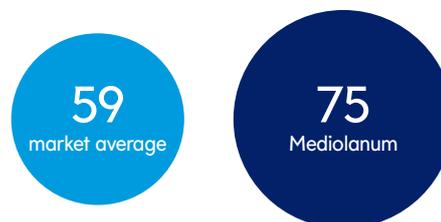
Overall satisfaction levels have always proved to be very high and in 2014 the overall satisfaction index for Banca Mediolanum customers remained well above the market average (80 vs. 69).

In addition to the overall index, levels of satisfaction expressed with regard to the two following aspects merit a special mention:

- > Advisors/branch representatives/managers (index of 87 vs. the market average of 73);



- > Efforts dedicated to social concerns (75 vs. the market average of 59).



The willingness of the customers surveyed to recommend the bank to friends/relatives/acquaintances (word of mouth index) was also significant, achieving a score of 82 vs. the market average of 69.

PrimaFila

The PrimaFila Club, for Banca Mediolanum's most loyal customers, was set up in 2004 and is designed to reward customer loyalty, fostering lasting relationships with customers. PrimaFila also provides additional opportunities to keep in touch with the Banca Mediolanum community via meetings, events, and a variety of other activities that help strengthen the bond between customers and the Group. PrimaFila customers can access a number of banking and non-banking initiatives and services. The banking initiatives and services include: preferential access to the Banking Services Centre, the possibility of increasing the limits on their credit or debit card and of issuing personalised bank cheques. On the non-banking side, the initiatives include a variety of high-profile activities to engage customers, with invitations to events in the worlds of art, culture, music, entertainment, sports, leisure, and food and drink. These events are carefully selected and organised to enable the bank to socialise with customers in a relaxed, non-banking context. In 2014 alone, approximately 390 events were held in Italy, attended by nearly 13,000 customers.

Some of these are mentioned below:

"Bollicine mon Amour" - A tasting tour dedicated to the most famous Italian and French sparkling wines in the world. Evenings were structured around the aperitif, with tasting stations, an educational session for those with a particular interest and a formal dinner.

"Che bio ce la mandi buona" - A comic tour with the performer Diego Parassole, addressing a number of issues relating to the environment and ecology from a fun, accessible, and at times scientific perspective.

"Formaggi d'Italia" - Guided gastronomic tour with a buffet aperitif, during which a professional cheese maker and an expert sommelier take guests through a cheese tasting, partnered by Italian wines. This was followed by a formal dinner with themed menus.

"In viaggio con Manzoni" (Travelling with Manzoni) - a national tour dedicated to Alessandro Manzoni and to the most significant and widely-known Italian novel, "I promessi sposi" (The Betrothed). The show consisted of an hour-long performance of the most significant and symbolic chapters, which offered an original interpretation of the original masterpiece through monologues delivered by an actor alongside interludes of classical dance, performed by a professional dancer. The twenty stages of the tour were hosted in some of the most important and interesting libraries in Italy.

"PrimaFila live music and theatres": exclusive seats were reserved at concerts and shows held at the most prestigious concert halls and theatres in Italy, including the Mediolanum Forum in Assago, the PalaLottomatica in Rome, the Teatro Petruzzelli in Bari, the Teatro Regio in Turin, the Teatro Manzoni in Milan and the Teatro della Luna in Assago.

An overview of the events and activities run by the Club is available to customers in the "World PrimaFila" magazine, which is distributed twice a year.

The initiatives are also showcased on the website at www.primafilamediolanum.it, allowing customers and other visitors to the site to browse the event photo galleries and stay up to date with news and services.

The *"Prestige Club"* has been running since 2013 and aims to expand the opportunities available to our PrimaFila customers. The portal makes a variety of products and services available to customers at a discount through the dedicated section in the private area of the new Banca Mediolanum Home Banking site.

Channels and Services

In 2014, 82% of customers who are bank account holders used direct channels (a 19.6% increase compared to 2013), with 40.6 million contacts and 8.6 million transactions, a significant increase over 2013 figures (+14.8%).

This growing trend confirms, once again, that customers appreciate the Bank's multi-channel platform. Moreover, the fact that approximately 95% of contacts were made via the automated services provided by the Bank, specifically the Internet, Mediolanum's mobile apps for Apple, Android and Windows Phone 7 devices, and the voice portal (B.Med Voice), also confirms that customers tend to prefer direct channels for their transactions.

Some 60% of contacts were made via the website, with a 5.2% increase with respect to 2013, while 27% were made via mobile applications. Specifically, 10,906,000 contacts were made people accessed the Bank's services through mobile applications in 2014, a 91% increase when compared to figures for 2013 (when the number of contacts was 5,714,000). Of these contacts, 53% were made via Android applications, approximately 43% via iOS applications and the remaining 4% via Windows Phone applications.

Transactions were made via mobile in 2014 totalled 1,015,000 compared to 540,000 in 2013, an increase of 87.5%.

The number of contacts made via the voice portal showed a sustained trend (-0.6%).

However, use of the Banking Services Centre was not negatively affected by the increased use of self-service banking: the number of contacts made via the Banking Services Centre actually increased by 15.5% compared to 2013, confirming that customers still favour this channel when dealing with more complex requests. In terms of service levels, the Banking Services Centre answered approximately 82% of calls within 20 seconds (the average waiting time for all calls being 21.9 seconds).

In addition, the text messaging service has become increasingly popular, with over 63.3 million Alerts sent (+16.9% with respect to the previous year); this service is particularly appreciated by customers because it enhances transaction security (text alerts are sent when customers make ATM withdrawals, carry out POS transactions or bank transfers or when they log in to the website).

MOBILE

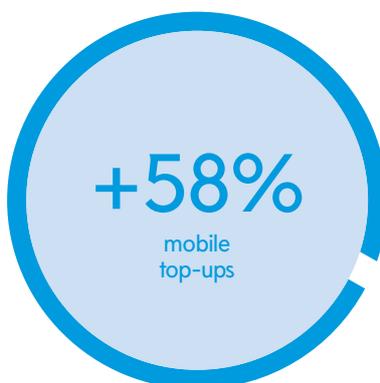
In 2014, the Bank's services were accessed 10.9 million times through mobile applications in 2014 (compared to 5.7 million in 2013, a 90.8% increase).

In terms of number of contacts registered, the mobile channel is the second most popular means of access for customers. Specifically, 5,527,000 telephone contacts were registered, including those managed entirely through IVR (Interactive Voice Response) systems and those which came via the Banking Centre.

More than a million transactions were carried out via this channel in 2014, compared to 541,000 in 2013, an increase of 87.5%.

Specifically, the following transactions were made:

- > 440,000 bank transfers, +95% compared to 2013;
- > 360,000 mobile top-ups, +58%;
- > 64,000 utility bill payments, +89%;
- > 48,000 trading transactions, +93%;
- > 43,000 acquisition/disposal transactions;
- > 23,000 Send Money payments via PayPal;
- > 23,000 top-ups of prepaid cards, +215%;
- > 12,000 purchases/sales of fund units, +94%;



In 2014, around one in three mobile top-ups was completed via mobile. The same goes for mobile top-ups. For other transactions, meanwhile, the percentage of those carried out on mobiles varies between 11% and 14%.

The Send Money payments service, developed in collaboration with PayPal, enables users to send money directly from their bank account via PayPal in real time, 24 hours a day, 7 days a week, without having to open a PayPal account.

DIGITAL SIGNATURE

The digital signature service was introduced for Banca Mediolanum customers in June 2012 on a single product to begin with, the Mediolanum Best Brands fund. From this point onwards, the service has been progressively rolled out across different products and types of transaction. During 2014, the use of “digital” signatures increased significantly, particularly for mutual funds, which became around 50% digitalised, taking into consideration not only the use of digital signatures but also fund transactions carried out in “dematerialised” format over the Internet.

The adoption of digital signature services allows Banca Mediolanum to:

- > digitalise forms and enable virtual interaction with the customer in “collaborative” online environments, ensuring full legal validity of contracts signed;
- > take significant steps towards achieving the “simplification of sales network operations”;
- > eliminate the use of paper forms and consequently, the time taken to send and receive contracts;
- > eradicate errors when completing forms via automatic checks on the digital contract;
- > simplify storage in digital format;
- > introduce innovations in the service provided to the sales network and the customer (change of business relationship);
- > implement organisational changes/ progressive redesign of branch business processes, with high efficiency potential;
- > reduce data entry activities;
- > reduce costs associated with printing and distributing forms.

SOCIAL NETWORKING

In 2014, the Bank further established its presence on social media channels; Banca Mediolanum is now on Facebook, Twitter, YouTube and LinkedIn, and has established a range of specific goals tailored to target audience and type of content.

The Bank uses Facebook to share its values with the community at large and to strengthen the bond between customers and the Group, reaching out to its fans and keeping them up-to-date on the activities, events and initiatives organised in the Mediolanum “world” and more generally, on financial and technological concerns and developments.

2014 also saw the launch of the fanpages dedicated to the Mediolanum Corporate University and the Mediolanum Foundation NPO. The former is the virtual space through which the company’s values are communicated, and the latter has made it possible to spread the word on social media about the numerous charity and social responsibility initiatives launched throughout the year. On 31 December 2014, the MCU had more than 2,000 fans while the Foundation’s page had 1,700.

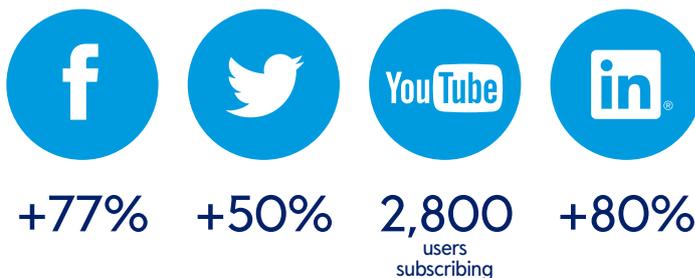
The Bank’s fanpage on Facebook continues to be the most popular in the banking industry (the so-called “engagement rate”), confirming the importance of the topics addressed for its target audience. This has ensured steady, organic growth in fans throughout 2014, numbering more than 53,000 by the end of the year, an increase of around 77% over 2013.

Twitter still represents the Bank’s institutional voice, providing information and news about the Bank and its products. The main account, @BancaMediolanum, closed 2014 with around 4,500 followers, an increase of 50% compared to 2013.

Work also continued on the Mediolanum Corporate University and Mediolanum Foundation NPO vertical accounts, which had 1,920 and 943 followers, respectively, at 31 December 2014.

The Banca Mediolanum “brand channel” on YouTube, which was created in 2012 as part of the company’s social communications drive, offers content based around four key themes: “Bank”, “Financial Education”, “Initiatives and Events” and “Products”. New content is constantly being added to the Bank’s video channel; the 600 videos uploaded have been viewed around 3.5 million times, with more than 2,800 users subscribing to the channel to receive real-time updates on new video content. Within the finance sector, the “brand channel” is an industry leader, both with regard to videos published and to number of registered users.

Lastly, the Bank is also on LinkedIn, and as such, represents a hub and a reference point for both employees and the sales network. It is used for professional networking purposes as well as acting as a key recruiting tool for new Family Bankers®. For this same purpose, Banca Mediolanum’s news feed is updated daily with news and information considered relevant to the types of subscribers to this social network and to followers of Banca Mediolanum, who numbered more than 10,800 at the end of last year, an 80% increase on the 6,000 followers recorded in 2013.



Customer offering - Key developments

The Mediolanum Group's work on its range of products and services is centred on the importance of identifying the needs of its customers and ensuring a high level of satisfaction, through increasingly flexible and innovative solutions which are able to meet their needs.

BANKING PRODUCTS

RIPARTI ITALIA

In 2014, Banca Mediolanum continued its commitment to the Riparti Italia initiative. The project, launched in late 2013 at a time of severe economic crisis characterised by a major credit crunch, reached its most evolved state in 2014. Through the Riparti Italia project, Banca Mediolanum has taken real action to help revitalise the Italian economy in collaboration with its customers, through a range of financing products for households at extremely favourable rates, with a view to boosting consumer spending in the construction sector in particular (in the broadest sense, i.e. not only builders but also other professionals who work closely with the industry). The product offers customers extremely advantageous rates for home improvement financing. Helped along by various tax incentives (VAT on construction at 10% and deductions of up to 65%), renovations can increase the value of customer properties and also improve the environment in which we live, by raising energy classifications and bringing savings on utility bills. The project covers four specific areas, linked together and interconnected through a range of Sales Network training and engagement activities.

> **1) In terms of specific products, the initiative can be summarised as follows:**

The "Mediolanum Riparti Italia mortgage" is a medium-long term loan secured via a first mortgage on the property, at a variable rate with a spread of 1.90% + 3-month Euribor rate, available for loans of €25,000 and upwards. The "Mediolanum Riparti Italia loan*" is available for residential property renovation at a competitive rate equal to the Euribor 3 month rate + a variable spread of up to 3.5%, depending on the customer's assets. Applications can also be made for an unsecured loan, including for new customers, with a spread of 4.5%. The Mediolanum Riparti Italia loan is granted solely for property renovation purposes, on presentation of an invoice or quotation for work.

> **2) Communications:**

The advertising campaign for these services spanned TV, radio, print, billboards, cinema and the Internet. The aim was to inform the public (both customers and prospective customers) about major tax incentives for renovations, as well as providing information on Banca Mediolanum's mortgage offering under the "Riparti Italia" initiative.

> **3) Local events:**

The core of the Bank's contact with customers are meetings to develop synergies with business owners and craftsmen in the building and real estate sectors, engaging all stakeholders (institutions, trade associations, customers and other interested parties) to raise awareness of the initiative and further enhance the benefits it brings.

> **4) The project fosters the harmonious involvement of Italian companies in the design/construction sectors..**



The mortgage area has seen excellent growth: €900 million was lent in total in 2014 - an increase of 29% compared to 2013. This result is undoubtedly a consequence of credit rationing by the competition especially in the early months of the year, but also the positioning of our offer in terms of pricing, as well as the strong focus on the Mediolanum "Riparti Italia" campaign with regard to communications and the sales network.

BANKING SERVICES - NEW DEVELOPMENTS

2014 was a year of further consolidation with regard to Banca Mediolanum's banking product offering, which was extended to provide customers with new products in line with the digitisation trend recently seen on the market, whilst remaining in step with the changes dictated by regulatory developments.

Banca Mediolanum's banking product offering has been further enriched by a range of new tools and services, characterised by a push to introduce new contactless technologies aimed at providing customers with a more digital - and therefore more sustainable - banking experience.

Mediolanum Freedom Easy Card prepaid card:

completing the range of payment tools on offer, in March 2014, Banca Mediolanum launched a prepaid card with a range of unique characteristics, designed to help customers manage and control day-to-day expenditure, ideal both for families and the younger generation (minimum age 12). The card features a high level of *personalisation* (as customers can choose from several colours as well as adding their photograph), *security* (thanks to SMS alerts and online purchase protection systems), and *innovation* (with contactless "Tap & Go" technology, as well as NFC functionality, for quick and easy smartphone payments).

Mobile Payments:

In 2014, Banca Mediolanum consolidated its role as an industry leader with regard to the innovative banking services offered to customers. June 2014 saw the launch of *Mediolanum Wallet*, an application for NFC smartphone payments. This is the first service of its kind in Italy, developed in partnership with Cartasi, Vodafone and Telecom, and is already enabled through two Mediolanum products: the prepaid *Mediolanum Freedom Easy Card* and the *Mediolanum Card* debit card, on the international Maestro network. The initial reaction from the market and from customers is extremely positive and encouraging.

Mobile Pos:

In July, following the entry into force of Legislative Decree 179/2012 aimed at freelancers and sole traders which stipulates the compulsory use of POS equipment for the acceptance of payments, Banca Mediolanum launched the new Mobile POS service, in conjunction with their *Professional* range of accounts. Via a bluetooth connection to the seller's smartphone, the Mobile POS tool allows payments to be accepted on the go, and sends the receipt for the transaction in digital format via email and SMS.

INVESTMENT SERVICES - NEW DEVELOPMENTS

2014 was a very important year for the development of the Group's Vita (Life) product offering.

Mediolanum My Life was launched in March - Mediolanum Vita's unit-linked financial insurance product. Fully customisable, the policy combines the flexibility of a financial investment with the advantages of an insurance product. Indeed, through Mediolanum MyLife, customers can implement an advanced financial plan for their assets, across a wide range of investment funds.

Mediolanum MyLife allows customers to:

- > Build on their assets by investing in the products that are best suited to their situation, due to the fact that they are able to choose to split their investment between more than 100 collective investment funds from the most prestigious investment banks: BlackRock, Carmignac, DWS, Fidelity, Investo, JPMorgan, Mediolanum Gestione Fondi, Mediolanum International Life, Morgan Stanley, Pictet, Pimco and Schroders. As of October, collective investment funds from DNCA, GAMAX and M&G were also added to this list.
- > Benefit from a regular payment through the decumulation service, which is particularly suitable for those who wish to boost their income or pension, paid directly into their bank account for a period of 5, 10 or 15 years, and on a monthly, quarterly, semi-annual or annual basis.

- > Transfer the capital accrued to one or more beneficiaries of their choice, in order to better manage the transfer of assets between generations as well as simultaneously enjoying the advantages typical of insurance products.

The policy also offers the possibility to sign up to the "Consolidate Returns" and "Reinvest on Losses" service. This allows customers to consolidate gains from equity funds in Mediolanum Group money market or bond funds, and reinvest previously-consolidated amounts in the original collective investment fund.

Finally, alongside the standard insurance cover which increases the value of the investment in the event of the death of the insured party, customers can also add additional coverage which further increases this amount.



2014 was also an important year for the development of the Bank's mutual fund investment product offering.

In October, with a view to becoming the "Number One Bank" for all customers, Mediolanum further increased the level of services it offers, thanks to its ability to:

- > invest directly in GAMAX funds
- > transfer and place third-party funds and SICAVs managed by DNCA and M&G.

INSURANCE PRODUCTS

The 2014 total income from the protection business saw a sharp increase on the previous year, totalling around €69 million. Over the course of the year, Banca Mediolanum has excelled in the development of new products and services in the protection business. In February, the Group's product offering was further enriched by a new exclusive product. Mediolanum Premium Care&Protection is an insurance solution that provides access to two different forms of cover through a single product, giving customers significant coverage limits and exclusive types of cover. The goal of this new plan is simply to provide customers with higher protection needs with a solution that could effectively be seen as private healthcare.

The different types of cover can be signed up to separately. They are:

- > Loss of Self-Sufficiency Cover - in the case of loss of ability to independently perform three of the four daily activities (bathing, dressing, eating and moving), the product provides a monthly payment to cover healthcare costs, or a lump-sum reimbursement of expenses equal to €3,000, €4,000 or €5,000 (respectively Formula One, Medium and Top level cover), as chosen by the customer;

- › Reimbursement of Medical Expenses - payment of medical expenses incurred in the event of hospitalisation or specialist appointments, including expenditure for dental or oncological care or for the replacement of lenses. All of the above products come with the freedom to choose to attend of the many Blue Assistance network Healthcare Centres for direct payment of expenses, or conversely, to attend an alternative provider, and receive a refund with a deduction.

Customers who take out both types of cover will be able to benefit from a free "Premium Check Up" every two years.

In July, Mediolanum Personal Life Serenity was launched. This insurance solution is designed to maintain the economic balance of families in the event of the death of the main breadwinner on whom the others depend financially, safeguarding their existing lifestyle. It is therefore a life insurance product which, on the death of the insured party, provides a given sum to the beneficiaries, as identified by the holder when the policy is taken out.

The overhaul of the Mediolanum Vita temporary life insurance offering and the creation of the Mediolanum Personal Life Serenity policy was driven by the following logic:

- › 1) adjustment to the social and economic context which is evolving continually; in this regard, the upper and lower age limits for taking out a policy have been changed (a minimum of 18 to a maximum of 70 years) along with the point at which the contract expires (80 years), and a minimum insurable amount of capital was established (€50,000);
- › 2) a desire to innovate, personalising the approach to insurance with a view to offering each customer a solution that reflects their personal situation as far as possible; the insurance premium is determined via a highly-personalised "preferred" risk assessment model that is still little-known and used in the Italian market. Mediolanum Personal Life Serenity provides for four different profiles which differ according to the health of the customer, his/her family medical history, lifestyle (physical exercise, alcohol/smoking habits) and job.

Banca Mediolanum has resolved to support its customers in all circumstances, demonstrated by the fact that it offers a policy which provides full protection, allowing them to face the future with greater confidence. The customer is at the heart of the Banca Mediolanum business model.

In 2012, the Group conveyed the concept of human capital to its sales network. With the support of the company YouInvest, individual Family Bankers® were provided with the method to calculate this value, and were encouraged to consider this as part of proper financial planning. Indeed, if properly safeguarded, human capital - understood as the ability to generate income until retirement age - is a real asset in the context of family budgeting.

This insight was reinforced by the fact that in February, Istat appraised the worth of Italians in terms of human capital, giving real visibility to this issue by publishing the results in the mainstream media.

To complete the journey that began in 2012, and in order to further support its sales network, as of June 2014 Family Bankers® have been given access to an app which allows them to calculate the human capital of customers.

By inserting a few key pieces of information - year of birth, annual income (gross or annual), level of risk at work (a choice between high or low) and degree of job stability (choice between high, medium and low) - the Family Banker® is able to inform customers of the value of their human capital and thus provide an indication of the premium that (for example, but clearly not comprehensively) represents a primary form of cover against accident and injury.

Advertising

Over the course of 2014, a series of communications activities were launched in order to promote different products and initiatives.

The first campaign of the year, which was aired on TV and radio as well as appearing in the press and on billboards, was carried out in January, with a view to promoting the *Mediolanum Riparti Italia* product offering and informing the public about the major tax incentives available for property renovations, in line with the communications published during the previous year.

The same initiative was the subject of two other campaigns, carried out in the months of July and October through printed media and billboard advertising.

In February, Banca Mediolanum used major national newspapers and trade magazines to share the news of the achievement of an important milestone: for the fifth consecutive year, Mediolanum is confirmed as the industry leader in terms of total net inflows, which amounted to more than €3 billion in the year 2013 alone. This result, above all, is the ultimate reward for the professionalism of our Family Bankers® and customers, who place their trust in our model on a day to day basis - and is to them that Mediolanum extends its sincere thanks.

On 12 March, the new campaign dedicated to the promotion of the *Mediolanum Freedom One Account* was launched, with the involvement of a complete mix of media channels accompanied by a strong online presence on major portals, as well as a social advertising campaign on Facebook. This was completed by a series of adverts shown in major cinema chains across the country. The purpose of the communication campaign is to promote the product by highlighting its key features, namely the fact that the account is a no-fee service, which offers customers up to 2.5% interest on the amounts deposited.

In mid June, promotional activities recommenced with an institutional campaign focused on the Group's banking model. The spot, which saw *Massimo Doris take centre stage*, is initially set on the salt lake which harks back to the Bank's first, historic communications initiative. In the scenes which follow, Massimo Doris moves into a more "concrete" environment, reminding us that "hundreds of thousands of people have already chosen an easy-to-use bank that offers a professional always at your side". Real-life examples are used to focus the message on the freedom that the banking model offers customers: the presence of the Family Bankers®, the various access channels, the combination of both traditional and innovative payment tools (e.g. payment of bills via app). The advertisement ends with the presentation of the new method of payment via smartphone (Mediolanum is the first bank to introduce this).

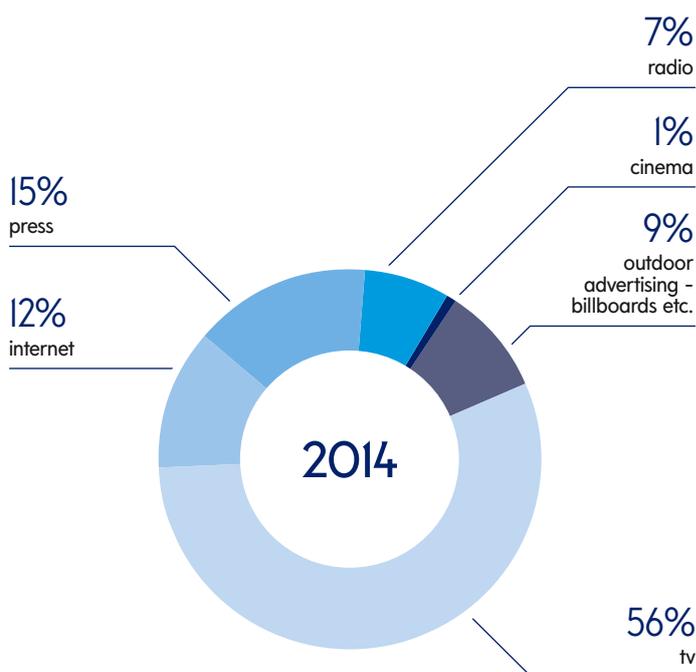
In July, a press campaign dedicated to *Mediolanum Private Banking* was planned, designed with the primary goal of promoting the role of the Private Banker, using the financial results achieved during 2013. This plan saw the alternation of two different creative themes, meaning the brand was a persistent presence from July to December, thanks to the engagement of major industry publications.

In November the focus was brought back onto the *banking offering*. Current accounts, deposit accounts, credit cards, mortgages, insurance products and pensions: Banca Mediolanum provides a full range of solutions to meet every need. The campaign, which involved TV, radio, print, billboard and web media, again stars Massimo Doris. "Your life changes, your bank changes with you" is the slogan which accompanies the various initiatives.

2014 closed with a press campaign dedicated to *Mediolanum Wallet*, the service which uses NFC technology to allow customers to make payments by simply tapping their smartphone on an enabled POS device, reinforcing the message communicated in the earlier July campaign.

In 2014, television was once again the most widely used medium for communication, and accounted for 56% of total advertising spend. The shift of the communications focus towards products/initiatives which are not directly linked to direct online purchases has led to a decline in investments in online advertising (12%). The numerous advertising campaigns launched during the year generated a great deal of visibility, achieving extremely high levels of reach and frequency.

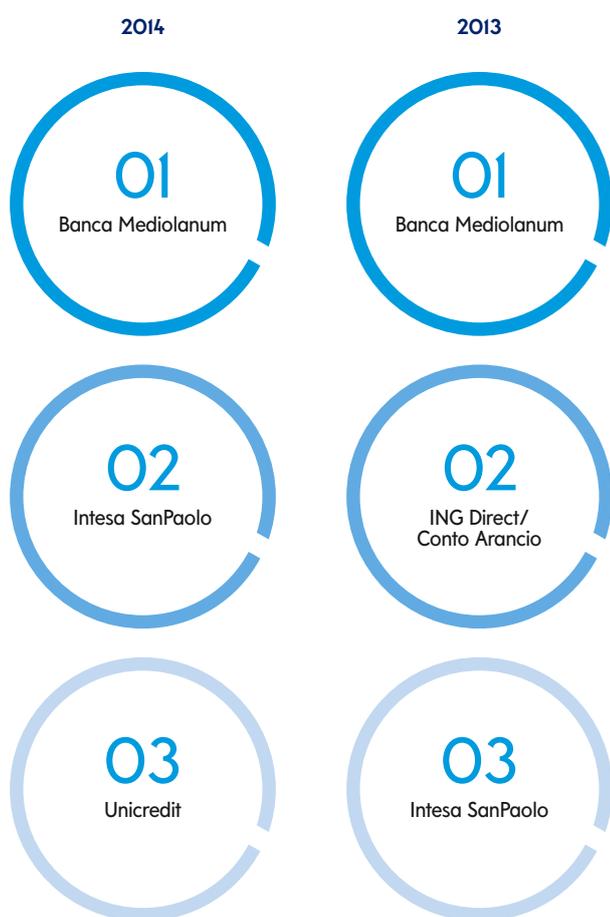
MEDIA MIX		
Media Channel (%)	2014	2013
tv	56	57
internet	12	19
press	15	10
radio	7	5
cinema	1	1
outdoor advertising - billboards etc.	9	8
TOTAL	100	100



EFFECTIVENESS AND RECALL

The combined advertising efforts of 2014 succeeded in ensuring that Banca Mediolanum remained at the forefront of customers' minds: the Bank was first place once again in the category of spontaneous recall, and ranked fourth place for brand awareness in the retail banking area.

SPONTANEOUS RECALL OF ADVERTISING*



* Source: GfK Eurisko - Multifintrack 2014 research

Customer-oriented communication

Mediolanum Freedom Rewarding

The new edition of the Mediolanum Freedom Rewarding* programme has been operational since February 2013.

Through the programme, current account holders can introduce a friend or acquaintance, allowing Banca Mediolanum to illustrate the special features it offers, as well as outlining the advantages of opening a current account. When the person introduced becomes a current account holder themselves, the original customer responsible for making the introduction receives points that can be used to choose a prize from the catalogue.

In addition, holders of accounts from the Freedom range who are involved in the above process can accumulate additional points, simply by using the account in a normal manner, for example through credit card purchases, the first payment of a new bill, and by arranging for the salary or pension to be paid into the account. The items available for purchase using points include the new Galaxy A5, the iPad Air, weekends away in various locations, vouchers for a range of different product categories and Mediolanum merchandise. In addition, account holders can also choose to donate the points they earn to one of the projects supported by the Mediolanum Foundation NPO.

SPONSORSHIP

In 2014, Banca Mediolanum was once again one of the leading sponsors of the King of the Mountains Blue Jersey, symbolic of Italy. The King of the Mountains title represents the strength of the individual, rewarding commitment and effort, but also teamwork, unity and judicious use of energy - all values that are shared by Banca Mediolanum and its mission as a company. The Bank has sponsored the Giro d'Italia since 2003, and has been witness to the many successes that this event has enjoyed over the last 10 years, thanks to the participation of some of the biggest names in the world of cycling, who have contributed to the increasingly rich experience that this prestigious cycling event offers spectators. The event provides a multitude of entertaining and informative activities for the public at large, with a range of opportunities for Bank representatives to meet thousands of customers at dedicated dinners and events along the stages of the race route, including amateur races and reception areas at the start and finish of every stage.

Moreover, a number of initiatives were organised as part of the Giro d'Italia to promote the "Un nido per ogni Bambino" initiative, supported by the Aiutare i Bambini Foundation NPO. Over 4,500 people participated in the events organised by Family Bankers® together with the Mediolanum Foundation NPO, and a significant amount of money was raised: €34,005 to be precise.

*Advertisement for promotional purposes. For the financial and contractual conditions of the Banca Mediolanum Freedom current accounts, see the Information Sheet available in the section Transparency of the website www.bancamediolanum.it and from the Family Bankers®.

Loyalty reward programme valid from 3 February 2014 to 30 June 2015 with request for rewards by 7 July 2015. Full regulations filed with Testoni & Testoni Promotion s.r.l., Via Martiri di Belfiore, 3 - 20090 Opera, Milan, Italy.

LOCAL EVENTS

The sponsorship initiatives organised by the Bank are not limited to events on a national scale, but are also carried out at local level (e.g. fairs, festivals, conferences, sporting events, exhibitions): the Family Bankers® identify key opportunities for meeting with both current and prospective customers.

In 2014, 10,238 events were held at local level, with more than 460,000 participants, a 26% increase over last year (2013 saw 8,136 events held, with a total of 460,000 participants).

To promote these initiatives in high traffic public areas, an indoor booth equipped with touch screen monitors where staff provided a practical demonstration of the multi-channel integrated bank model was placed in busy shopping centres and trade fairs.

In 2014, four InMediolanum display areas were set up in 66 shopping malls across Italy.

MEDIOLANUM FORUM

As of 1 January 2009, Banca Mediolanum's decided to attach its corporate image to the Forum di Assiago, which therefore became the MEDIOLANUM FORUM.

This space is the top indoor multipurpose facility in Italy in terms of capacity, number of participants and significance of events hosted. It is part of the ForumNet Group which, together with PalaLottomatica in Rome and PalaLivorno in Livorno, is the Italian leader in multipurpose facilities for live entertainment. Accommodating more than 11,000 people, the MEDIOLANUM FORUM is the perfect venue for a variety of major national and international music concerts, sports events and live shows, featuring big-name artists including Laura Pausini, Vasco Rossi, Spandau Ballet and the Cranberries.

MEDIOLANUM PERSONAL MARKETING

Mediolanum Personal Marketing, the automated marketing interface that enables the sales network to send marketing communications to both current and prospective customers saw a considerable increase in support activities for Banca Mediolanum S.p.A. financial advisors over the course of 2014 - further confirmation of the effectiveness of this tool in acquiring new customers and promoting loyalty in existing customers.

The 2014 figures were as follows:

- > 153 campaigns were carried out, across 137 marketing initiatives;
- > 99% of Family Bankers® used this tool (out of a total of 4,397);
- > 718,000 existing customers were contacted at least once;
- > more than 537,000 prospective customers were contacted at least once.

During the first half of 2014, on the back of the positive results recorded in the previous year, Mediolanum Personal Marketing activities were increasingly focused on acquiring new customers and promoting loyalty among existing customers, offering new, market-leading promotions on current accounts and credit products: some examples of these include the initiatives "Scrap your account - Change Your Bank" or the new mortgage offer for building renovation "Nuovo Riparti Italia".

The year 2014 was characterised by a significant number of events focused on both entertainment and financial education (around 10,000), which were extremely successful. These events were organised by Banca Mediolanum S.p.A. for existing and prospective customers across the country in close collaboration with Mediolanum Personal Marketing, which used targeted marketing campaigns to stimulate attendance among the public.

Customer interest in the new monthly newsletter, "L'Opinione di Mediolanum" (In Mediolanum's Opinion) also remained steady over the course of 2014; the last edition of the year was sent to 187,000 customers and 8,700 prospective customers in electronic format. Moreover, as per the previous year, given the high number of readers, the newsletter was used as the vehicle for sending a communication to all customers signed by the Chairman of Banca Mediolanum S.p.A., Ennio Doris, regarding changes in the securities market at both national and international level.

With a view to working in collaboration with the sales network in order to provide support, Mediolanum Personal Marketing has been used to launch no less than 58 campaigns communicating with customers and holders of MedPlus family Index and Certificate policies, providing them with information regarding the expiry of these policies and possible reinvestments in other similar products of their earnings.

With regard to social initiatives, Mediolanum Personal Marketing campaigns have allowed the Mediolanum Foundation NPO to launch and publicise major new initiatives to fund projects designed to offer support to those most in need: these included the campaign "Donate your 0.5%", "Cents that count" and "Solidarity SMS - A House Full of Love".

Finally, Banca Mediolanum S.p.A. was able to provide assistance to flood victims in Liguria with the support of Mediolanum Personal Marketing, through the "Flood Emergency Centre/North" campaign. As part of this, an email was sent to those involved in the disaster, communicating new product terms and conditions designed to be highly favourable in light of the events.

Protection and guarantees

COMMITMENT TO QUALITY

The PattiChiari Consortium, a self-regulating organisation for the banking industry whose objective is to ensure the quality and efficiency of the market, was established in 2003 and Banca Mediolanum was among its founders. PattiChiari develops programmes, tools and guidelines which are designed to promote a better bank-customer relationship based on simplicity, clarity, comparability and mobility. As a form of self-regulation, the Consortium subsequently introduced "Impegni per la Qualità" (Commitments to Quality), a set of regulations and initiatives promoted by the banking system to simplify the relationship between banks and customers.

Banca Mediolanum participates in the "Commitments to Quality" project, which targets retail customers and addresses four main areas of interest:

- > Customer mobility;
- > Assistance in borrowing;
- > Online banking security;
- > Comparing bank accounts.

The project primarily aims to offer simple yet exhaustive information on the economic world - providing everything from financial education to investment options - with a view to creating a more balanced relationship between customers and the Bank whilst providing simple and clear information enabling them to make more informed choices with regard to the banking services they use.

The joint efforts made by the PattiChiari Consortium member banks are based on the "Commitments to Quality" and implementation of these. The governing bodies responsible for managing the Consortium include an Advisory Committee, which is made up of representatives from consumer associations and academic and professional circles, and is in charge of supervising the fairness of the Consortium's activities, in addition to monitoring the way in which the commitments are implemented. Specifically, Banca Mediolanum continues to strengthen commercial initiatives designed to facilitate customer mobility. The PortaConto service is a concrete example of this. Simple and easy to use, the service allows parties who have agreed on the request of the customer to close banking relationships with another bank and to initiate new ones with Banca Mediolanum, thus relieving the customer of all the red tape that this step usually involves. The website www.bancomediolanum.it has provided greater visibility of Patti Chiari's "Commitments to Quality", with a dedicated section which can be accessed directly from the home page.

REVIEW OF CONTRACTUAL TERMS

PERSONAL DATA PROTECTION

Legislative Decree 196 of 30 June 2003, also known as the "Personal Data Protection Code", unified the many amendments and addenda to the original Law 675/1996, combining these in a single Data Protection Act. The Personal Data Protection Code deals with issues relating to confidentiality of information, as well as addressing personal data and identity protection concerns. Processing of personal data is only permitted when minimum security requirements are met. Moreover, to increase personal data security and to ensure that the databases used to store information on customers and Mediolanum Group companies are secure, (i.e. to mitigate risks associated with the circulation and/or use of information by third parties), the following specific actions were taken:

- > 1) staff were provided with information on minimum security measures, electronic data management and on the entry into force in 2014 of the Decision 192/2011 of the Authority for the Protection of Personal Data, which establishes a number of rules relating to the disclosure of banking customer data and to the tracking of banking transactions conducted by the "persons in charge of data processing" (meaning Group employees and partners from Mediolanum Group companies, Family Bankers® and outsourcers);
- > 2) an updated training course for all staff was launched.

The Mediolanum headquarters are also home to a Personal Data Protection Office; this specialist unit is tasked with overseeing compliance with personal data protection regulations. Specifically: provide notifications to the Data Protection Authority; draw up and update letters of appointment to managerial positions, and letters of engagement; manage requests from relevant parties relating to their data; manage requirements relating to the Code of Ethics of Private Central Credit Registers; supervise training delivered to employees and members of the sales network on data protection; establish and maintain information and consent relating to data protection; provide advice on data protection to all business functions; prevent complaints being made by customers, regarding data protection violations; perform checks on access to customer banking information, as carried out by those responsible for data processing.

CLAIMS AND REQUESTS

The Personal Data Protection Office may receive the following claims and requests, either directly from customers or via the Data Protection Authority:

Complaints:

complaints must contain a detailed account of facts, as well as specifying which regulations have been violated and the actions required to rectify the issue. there are no specific official procedures to be followed when filing complaints.

Requests for investigation:

quando non è possibile presentare un reclamo circostanziato si può presentare una segnalazione, al fine di sollecitare un controllo da parte del Garante.

Claims:

claims are filed when an individual intends to protect his/her rights under the Personal Data Protection Code.

Requests for production of information:

requests for production of information are filed in order to check whether a given company holds certain personal information in its databases.

Requests for cancellation of data:

requests for cancellation of data are filed to block the use of data for purposes other than those strictly linked to the relationship held by the customers with Group companies.

COMMUNICATIONS RELATING TO DATA PROTECTION

In 2014, the number of requests for cancellation of personal data increased in comparison to the previous year; the number of complaints, on the other hand, declined sharply.

Complaints	24
Requests for investigation	0
Claims	0
Requests for cancellation of data	1,283

COMPLAINTS

In accordance with existing regulations, the Mediolanum Group has adopted a structured and regulated approach to handling complaints received from both existing and potential customers. Customer satisfaction is one of the foremost priorities of the group, and is a key element in developing a successful corporate image within the market. For this reason, the complaint handling procedure is not only designed to comply with existing regulations, but also to obtain relevant information in order to allow the company to constantly improve service quality and provide clear answers to its customers.

The Customer Marketing and Communications office, which is part of Banca Mediolanum's Marketing Communication and Innovation Department, is now in charge of the entire complaint handling process for the Group's Italian companies. Tasks include receiving

and recording complaints, performing preliminary investigations and providing responses to customer complaints, as well as identifying possible areas for improvement. However, for obvious reasons of confidentiality, the department does not handle complaints addressed to Mediolanum Fiduciaria; these are handled directly by the company. The procedure for handling complaints allows the essential points of each complaint received to be recorded, in addition to the measures taken to assist the customer in resolving the issue in question. A number is assigned to each complaint, in ascending order and based on service provided and year of provision, so that each of these can be easily identified.

The Group's foreign companies have implemented similar procedures to ensure effective complaint handling, which include reporting to the parent company on a regular basis.

The Compliance Department is in charge of monitoring overall complaint handling, and ensuring that this complies with existing regulations and internal policies, as well as evaluating whether actions should be taken to mitigate risks with respect to the processes or procedures adopted, based on the results of the analysis of the problems reported.

Moreover, the Compliance Department reports to the Board of Directors and the Board of Statutory Auditors annually on the issue of complaint handling, highlighting any shortcomings in terms of procedures, organisation or behaviour. An examination of the complaints received in the year 2014 showed that no shortcomings were recorded in terms of procedures, organisation or behaviour that needed to be communicated to senior management or the Board of Statutory Auditors, despite the fact that mitigation initiatives were launched in the major areas as part of the ordinary process designed to improve operational processes and customer service.

Number of complaints received

The overview of complaints received in 2014 provided below takes into account all the written complaints regarding banking, investment and insurance services provided by the Group that were sent by fax, mail, email, certified electronic mail (CEM) or telegram by customers or prospective customers.

In 2014, the Group received 6,275 complaints (approximately 21% more than in 2013), of which 6,191 could be handled and 84 could not, as they failed to contain the necessary information. For example, complaints that fail to provide information about the person filing the complaint or the product that is the subject of the complaint fall within the latter category.

In the interests of completeness, complaints that were "reopened" are also highlighted (where customers were not satisfied with the response received in the first instance), and amounted to 697 in 2014, of which 693 "could be handled" and 4 "could not be handled".

Out of the 6,275 total complaints received, 5,876 (approximately 94%) were addressed to Banca Mediolanum, Banco Mediolanum and Bankhaus August Lenz & Co AG., all of which sell Group products via their sales network. The most frequently-used channel to file complaints by Italian customers was email: approximately 77% of complaints were received through this medium.

Number of complaints received

	NUMBER OF COMPLAINTS		OLD COMPLAINTS REOPENED	
	That could be handled	That could not be handled	That could be handled	That could not be handled
Banca Mediolanum Gestione S.p.A.	5,415	37	636	4
Banca Mediolanum Gestione S.A.	181	10	0	0
Bankhaus August Lenz & Co. AG	233	0	0	0
Mediolanum Assicurazioni S.p.A.	23	4	2	0
Mediolanum Gestione Fondi SGR p.A.	27	3	5	0
Mediolanum International Funds Ltd	2	0	0	0
Mediolanum International Life Ltd	13	3	2	0
Mediolanum S.p.A.	0	21	0	0
Mediolanum Vita S.p.A.	297	6	48	0
TOTAL	6,191	84	693	4
OVERALL TOTAL	6,275		697	

Composition of complaints

A complaint can be closed by one of the following means:

- > The complaint is rejected, as it is deemed to be "groundless";
- > The complaint is accepted, meaning the negative experience the customer was subjected to is acknowledged, and customer requests are accepted;
- > The complaint is resolved amicably through an out-of-court settlement

The analysis of the preliminary investigation results reveals that out of 6,191 complaints that could be handled, 5,786 were resolved in 2014, and of these, 1,212 were deemed to be well-grounded (approximately 21%).

	2013	2014	% change
Complaints Received	5,099	6,191	21%
Complaints Resolved	4,585	5,786	26%
upheld	927	1,212	31%
groundless	3,658	4,574	25%
Complaints under investigation - not expired at year end	457	360	-21%
Complaints under investigation - expired at year end	57	45	-21%

Claims, conciliation, mediation

Disputes with customers are also resolved through mediation or claims filed with neutral and impartial dispute resolution organisations. During 2014, the number of mediations increased significantly, and the number of appeals to the banking and financial arbitrator increased slightly, whereas appeals to the Ombudsman decreased. The abovementioned increase in mediation is attributable to the introduction of Legislative Decree 69 of 21 June 2013, converted by Law 98 of 9 August 2013 (which stipulate that an attempt at mediation must be made before legal action is taken), while reductions during the previous year were due to the repeal of the obligation following Constitutional Court ruling 272 of 6 December 2012

Number of claims	2013	2014
Banking and Financial Arbitrator (bfa)	12	18
Ombudsman	11	9
Mediation	30	109
Total claims filed	53	136

Mediation which took place over 2013 and 2014 is shown in the table below, along with the related outcomes of each of the individual requests made by Mediolanum Group customers:

	2013	2014
Outcome/Status	Number of Requests	Number of Requests
Failure to participate in the mediation meeting	25	79
Settled in mediation meeting	2	3
Settled after the mediation meeting	0	0
Settled by mediation	0	1
Not settled by mediation	3	16
under investigation	0	10
OVERALL TOTAL	30	109

The Banking and Financial Arbitrator (BFA) is an independent and impartial dispute settlement mechanism that was set up by the Bank of Italy to resolve disputes between customers and banks in connection with banking and financial transactions and services. This system is referred to as an 'out-of-court' or alternative dispute resolution method, in that it provides an easier, quicker and cheaper alternative to litigation, which often entails complex and lengthy procedures.

Customers can seek the assistance of the Arbitrator by filing a complaint once they have attempted to resolve the problem directly with the Bank. If they are not satisfied with the decision taken by the Arbitrator, they can then go on to present their case to a judge.

An overview of the decisions taken by the BFA with respect to complaints filed by Banca Mediolanum customers is provided in the table below, for the years 2013 and 2014.

	2013	2014
Arbitration awards	Number of Requests	Number of Requests
Discontinuance of the matter in dispute	1	-
Dismissed claims	-	-
Upheld customer claims	1	-
Not upheld customer claims	6	4
Partially upheld customer claims	-	-
Unacceptable claims	3	4
Time-barred claims	1	-
TOTAL CLAIMS RESOLVED	12	8
Award arbitration decision	-	9
Claims under investigation	-	1
Total claims filed	12	18

Customers of PattiChiari Consortium member banks can refer their cases to the Ombudsman in connection with disputes relating to investment services and activities as well as other types of transactions that are excluded from the out-of-court dispute resolution mechanism, and are managed via the BFA (Banking and Financial Arbitrator) provided that the requirements set out in the regulations are met.

An overview of the decisions made by the Ombudsman with respect to complaints filed by Banca Mediolanum customers is provided in the table below, for the years 2013 and 2014:

	2013	2014
Arbitration awards	Number of Requests	Number of Requests
Discontinuance of the matter in dispute	1	1
Dismissed claims	1	-
Upheld customer claims	1	-
Not upheld customer claims	2	1
Partially upheld customer claims	-	-
Unacceptable claims	6	5
Time-barred claims	-	-
TOTAL CLAIMS RESOLVED	11	7
Award arbitration decision	-	2
Claims under investigation	-	-
TOTAL CLAIMS FILED	11	9

Sales Network

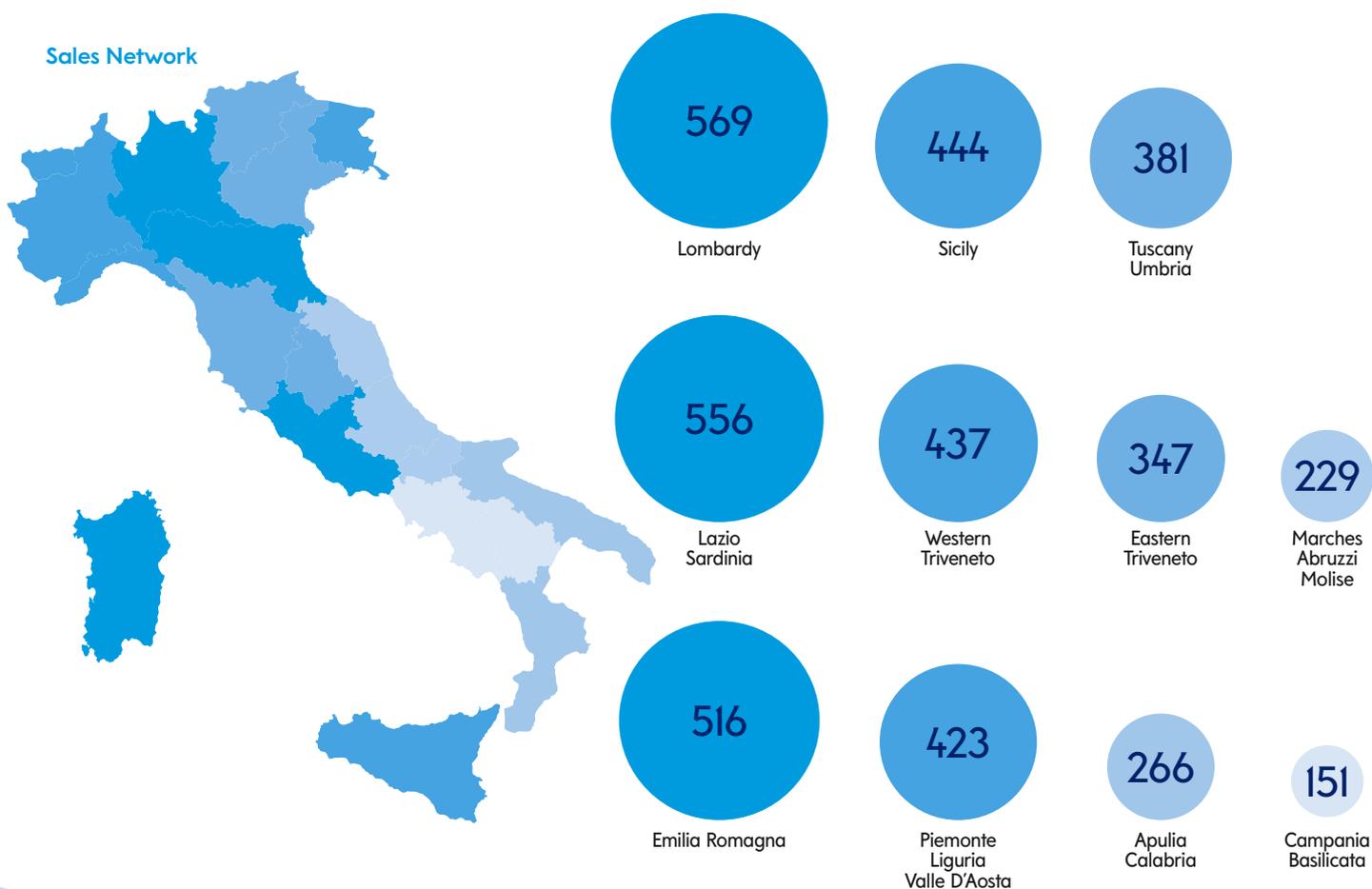
Size and composition

In 2014, the global economy continued the recovery that started the previous year, while the situation in Italy showed no signs of improvement and remained weak. Despite the challenging market scenario, Banca Mediolanum continued to strengthen its Sales Network, as shown by the slowdown in the turnover rate: 8.3% → 2012, 5.2% → 2013, 4.9% → 2014. Specifically, the 2014 performance is, on the one hand, attributable to the constant growth in retention of those advisors who specifically focus on high net-worth customers and, on the other hand, to actions to improve the qualifications of our Sales Network. The strategic decision to focus on candidates with higher-level professional profiles has led to a higher percentage of qualified Financial Advisors, with a slight reduction in the size of the Sales Network.

BANCA MEDIOLANUM SALES NETWORK			
	2013	2014	Change %
Financial Advisors (No.)	4,407	4,386	-0.48%

BREAKDOWN BY GEOGRAPHY AND GENDER

Sales Network



Approximately 53% of the Sales Network is concentrated in the regions of Northern Italy, where the Mediolanum Group has its origins.

Geographic area				Average age			Average length of service		
	Total	% of Tot.	% Female	M	F	Total	M	F	Total
Piedmont - Liguria Valle - D'Aosta	423	10%	22.0%	47.5	45.3	47.0	13.6	10.2	12.8
Lombardy	569	13%	17.2%	48.5	44.9	47.9	15.2	10.4	14.4
Western Triveneto	437	10%	12.4%	46.1	43.4	45.7	13.2	9.7	12.7
Eastern Triveneto	347	8%	10.4%	46.6	46.6	46.6	14.2	10.2	13.8
Tuscany - Umbria	381	9%	19.2%	47.2	45.7	46.9	12.4	11.2	12.2
Emilia Romagna	516	12%	20.0%	47.5	45.3	47.1	14.4	12.0	13.9
Marches - Abruzzi - Molise	229	5%	17.5%	46.9	44.1	46.4	14.4	10.5	13.7
Lazio - Sardinia	556	13%	24.8%	46.3	42.2	45.3	13.4	9.0	12.3
Campania - Basilicata	151	4%	15.2%	43.2	43.2	43.2	13.4	12.8	13.3
Apulia - Calabria	266	6%	18.0%	43.6	39.9	42.9	9.9	8.2	9.6
Sicily	444	10%	23.6%	44.8	42.3	44.2	11.7	8.8	11.0
SALES NETWORK *	4,319	100%	18.8%	46.2	43.9	45.7	13.3	10.3	12.7

* The Headquarters Sales Network (60 Managers and Family Bankers®) as well as expatriates to international Group companies (7 Managers and Family Bankers®) are not included in the table showing the 2014 breakdown of the Sales Network by geographic area.

Women account for approximately 19% of the total Sales Network, with figures exceeding 23% in certain areas. The average age in the Sales Network is 46 years. The figures are in line with the previous year's figures (taking the normal ageing process factor into account).

BREAKDOWN BY COMMERCIAL ROLE

Financial Advisors can be classified into the following 4 main subcategories:

1. MANAGERS

2. SUPERVISORS

3. GLOBAL FAMILY BANKER®

4. FAMILY BANKER®

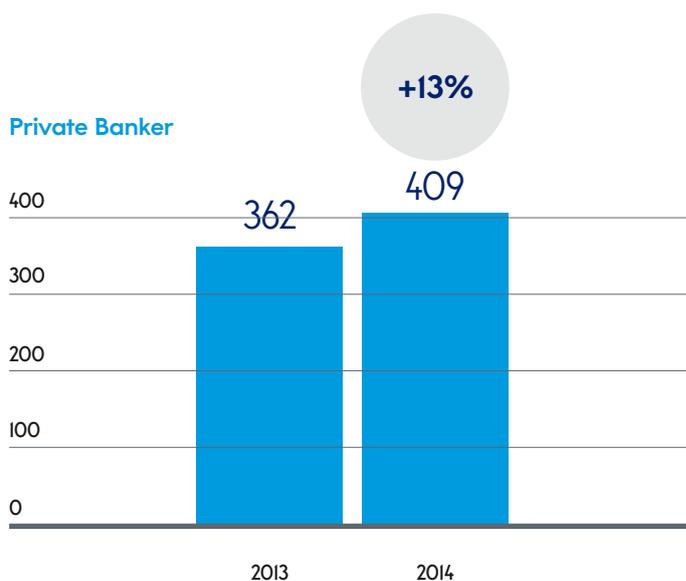
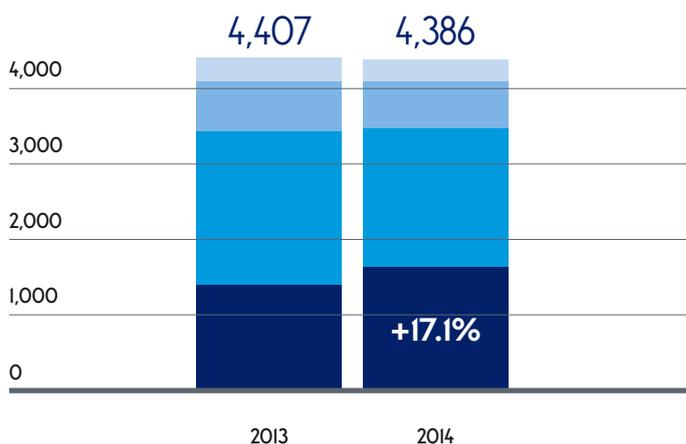
Managers and Supervisors are part of Banca Mediolanum; they are in charge of coordinating Sales Network staff (financial advisors, insurance agents and/or other Supervisors) and their roles are differentiated based on the number of advisors supervised, assets under management and turnover. Global Family Bankers® and Family Bankers® are collaborators of Banca Mediolanum who have no Sales Network members reporting to them and are categorised according to their level of specialisation, assessed based on certain parameters, such as assets managed, sales, the size of their customer base and the loyalty of their customers. The abovementioned categories also include those advisors who specifically focus on high net-worth customers. These advisors are part of the Mediolanum Private Banking Department, which is composed of highly experienced professionals and provides the best banking and financial solutions in terms of quality to high net-worth and affluent customers. As a result of strategic choices about the composition of the sales network, there was a decrease in the number of less experienced and qualified advisors and an increase in the number advisors who deal with affluent customers (Global Family Bankers® +17.1%, Private Bankers +13%).

Category (units) (no.)	2013	2014	Change %
Manager	306	277	-9.5%
Supervisors	658	616	-6.4%
Global Family Banker®	1,401	1,641	17.1%
Family Banker®	2,042	1,852	-9.3%
TOTAL FINANCIAL ADVISORS	4,407	4,386	-0.5%
of which: Private Bankers	362	409	13.0%

NOTE: To enable like-for-like comparison and to show the re-categorisation process, the 2014 figures were recalculated to make them comparable to the 2013 figures.

Category

● Global Family Banker® ● Family Banker® ● Supervisors ● Managers



The new Managerial Career was launched in 2014, confirming Banca Mediolanum's focus on strong growth in the highly qualified component of both management and of sales staff (Global Family Bankers®, Private Bankers) with high-level customers (Affluent and Upper Affluent customers). The aim of the new Managerial Career is to simplify career progression rules, placing particular attention on developing managed assets and achieving qualitative criteria in the composition of their unit. The position of Supervisor became a qualifying role for becoming a Manager, according to pre-set time intervals and requirements.

Category (units) (no.)	2013	2014	Change %
Managers		591	
Supervisors		483	
Global Family Banker®		1,479	
Family Banker®		1,833	
TOTAL FINANCIAL ADVISORS	4,407	4,386	-0.5%
of which: Private Bankers	362	409	13.0%

NOTE: In a break with the past, Global Family Bankers® and Family Bankers® who have a managerial role are recognised under the new arrangements as Managers and Supervisors.

BREAKDOWN OF ANNUAL TURNOVER BY GEOGRAPHIC AREA

The annual turnover is the ratio between Number of Resignations and the Average number of Sales Network members. As mentioned above, in 2014 there was a drop in the turnover rate with respect to the previous year - 4.9% in 2014 versus 5.2% in 2013 - with improvements in almost all commercially attractive areas thanks to the Bank's effective and targeted strategy.

BREAKDOWN OF ANNUAL TURNOVER BY GEOGRAPHIC TRADING AREA

TURNOVER		
Geographic area	2013	2014
Piedmont - Liguria - Valle D'Aosta	9.1%	5.1%
Eastern Triveneto	4.2%	2.6%
Western Triveneto	4.0%	5.3%
Lombardy	2.5%	3.4%
Emilia Romagna	4.2%	3.1%
Tuscany - Umbria	5.9%	5.8%
Marches - Abruzzi - Molise	4.4%	4.8%
Lazio - Sardinia	6.8%	4.8%
Campania - Basilicata	8.2%	9.6%
Apulia - Calabria	4.9%	8.8%
Sicily	5.0%	5.6%
	5.2%	4.9%

Incentives and promotion

The members of our Sales Network are self-employed, entrepreneurial in spirit, have a variable income, and they bear all the costs of their business. These costs include office-related costs, travel expenses incurred to visit customers, costs incurred for local marketing initiatives and out-of-pocket expenses for training activities.

Family Bankers® can choose between alternative career paths based on their personal inclinations:

- > developing and managing a strong customer base, which can be sold for a significant amount when the Family Banker® ceases trading;
- > a managerial career, by building a hierarchy of Family Bankers® within the Banca Mediolanum Sales Network structure, with compensation being awarded in the form of commissions.

Moreover, the Mediolanum Group appraises the business the “entrepreneur” has built up at a premium compared to other businesses in the same sector.

The incentive system takes various quantitative and qualitative factors into account: part of the compensation is linked to quality parameters that are measured on an annual basis, such as parameters aimed at assessing whether regular payments are made into recurring policies and instalment plans, the number of bank accounts opened and customer retention.

Incentive plans with a variety of objectives are in place. This applies to the entire organisation up to senior executives. Moreover, the incentive plan is also characterised by:

- > consistency between personal objectives and the requirements of the Group;
- > rewarding salespeople for particularly positive results through contests;
- > granting stock options to the most qualified salespeople.

Satisfaction of the sales network

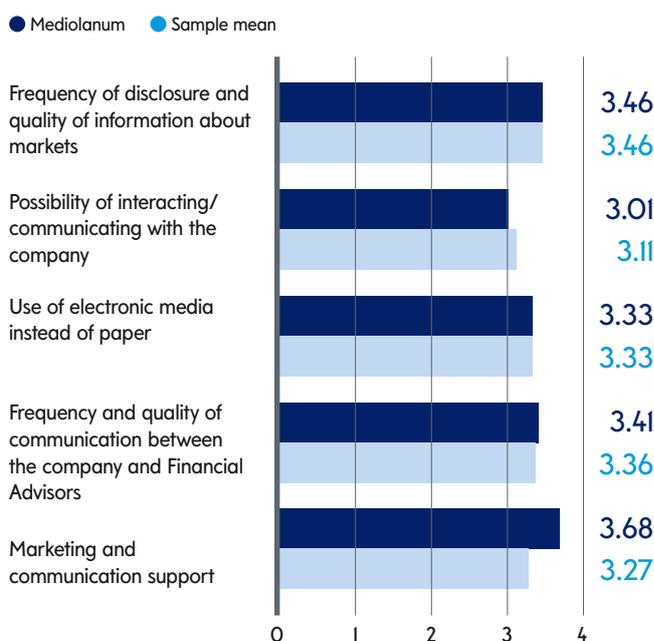
SATISFACTION OF THE SALES NETWORK - INTRODUCTION*

The overall satisfaction level of Family Bankers® increased versus the previous years (it was 3.38 on a scale of 1-4, where 4 is the highest score). The percentage of Family Bankers® who said they were fairly or completely satisfied was 97%.



* Source: PF Monitor 2014 GfK Eurisko. The survey included a sample of 2,000 Financial Advisors from the following companies: Allianz Bank, Azimut, Banca Fideuram, Banca Generali, Banca Mediolanum, Banca Euromobiliare, UBI Banca Private, Finanza & Futuro, MPS Banca Personale, Sanpaolo Invest and Fineco.

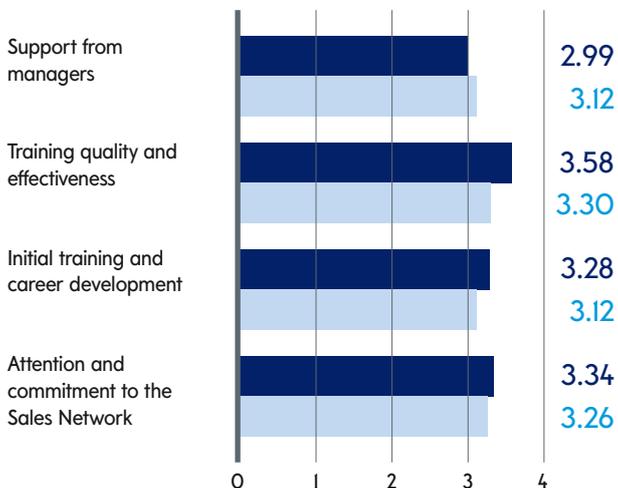
COMMUNICATION



Description
Satisfaction levels with marketing and communication support remained excellent.

CAREER

● Mediolanum ● Sample mean

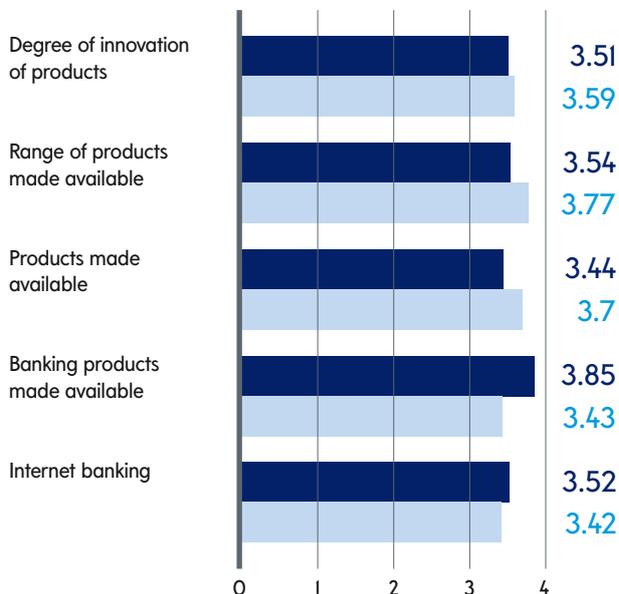


Description

"Career"-related aspects usually have a high degree of satisfaction. Training quality and effectiveness confirmed excellent satisfaction levels

PRODUCTS

● Mediolanum ● Sample mean

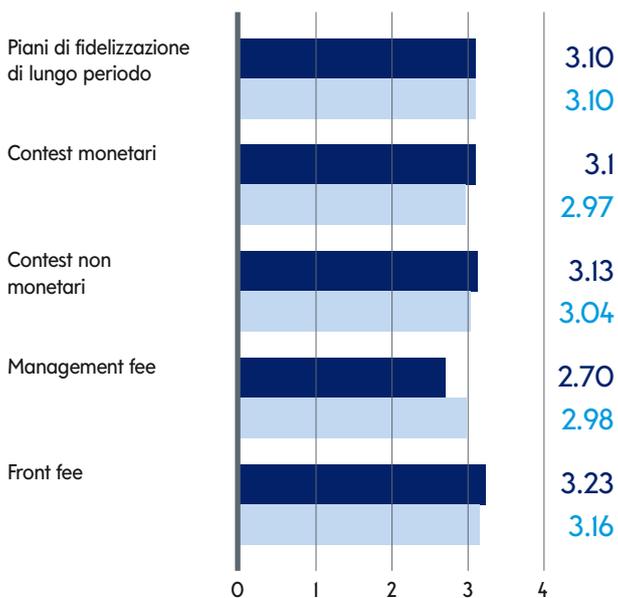


Description

Satisfaction levels with banking products made available to Customers remained excellent.

COMPENSATION

● Mediolanum ● Sample mean

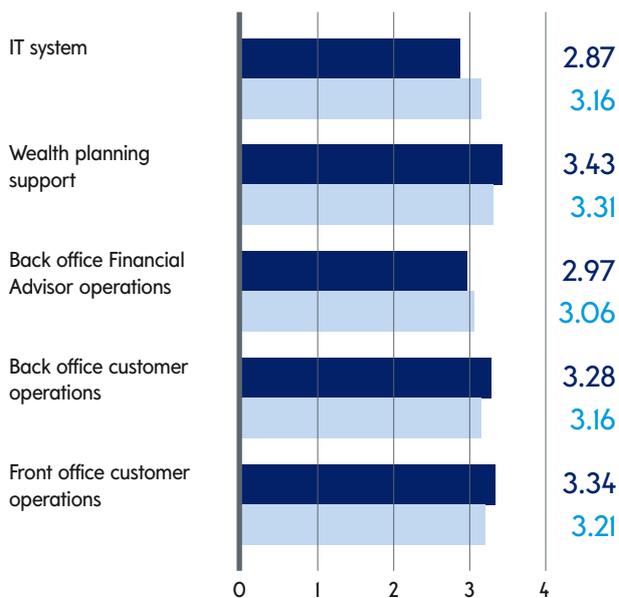


Description

Il Front Fee e i Contest mostrano un livello di gradimento superiore alla media del campione analizzato.

SUPPORT

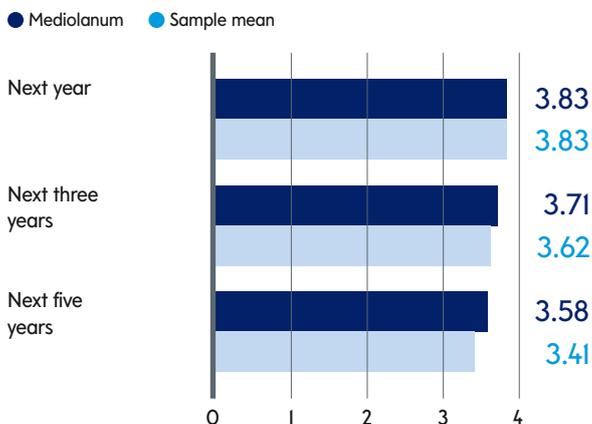
● Mediolanum ● Sample mean



Description

Customer operations (both front office and back office) show high levels of satisfaction.

PROPENSITY



Description

The propensity of Family Bankers® to remain in the Network is projected to be above the average.

Tools supporting sales activities

The Group has significant communications tools dedicated to the members of the Sales Network: an Intranet portal, corporate TV, and commercial brochures and tools.



BMEDNET: AN INTEGRATED PORTAL

The BMedNet portal contains all the key information meant for the Sales Network. The portal consolidates all of the various facets of the activities of the Sales Network in one place, unquestionably delivering benefits to Family Bankers® and making work easier for them, as they can find, all in one place, the information available regarding the subject of their search.

Moreover, all systems relating to training, information, tools, commercial initiatives and incentives are available on the portal. It is a key tool (which is constantly updated and features enriched content) that permits Family Bankers® to best prepare and plan their work in order to meet customer needs in an even more timely manner. A new project to review the portal - in terms of the information contained and in terms of application - and to gradually add more and more new tools for the Sales Network is currently ongoing. In 2014, the design and navigation of the portal was updated to make it suitable for mobile browsing.

THE CORPORATE TV

The corporate TV transmits a variety of programs on training and refresher courses, which focus on products, marketing initiatives and strategies. Mediolanum was the first Italian company to use this innovative means of communication, having developed the first corporate TV channel in 1989, based on the experience of some American companies. The corporate TV, which was conceived to create horizontal communication, has transmitted programs via the Internet since 2006, reaching the entire Sales Network. Family Bankers® can watch these programs at any time on their laptops. In 2010, the corporate TV was integrated with BMedNet, allowing programs to be streamed directly on the portal. Since 2012, viewers have been able to watch the shows using multiple devices, in all the main formats.

In 2012, the formats of the weekly shows were reviewed. **MBedNews** is a current affairs show providing updated information on a single topic to the Sales Network, while **Med App** delves into a variety of specific technical issues - on a case-by case basis - regarding banking matters, investments, pensions, technology and the markets. The "Mercati che fare" show (which is also available to the public - i.e. customers and prospects - on the Banca Mediolanum website and the TGCOM 24 digital news channel) provides a comprehensive overview of the current financial situation, welcoming esteemed guests, including columnists, economists, university professors, entrepreneurs and journalists.

In addition to the scheduled content, training and/or information video content is also available, aimed at various different viewer targets.

In 2013, the Bank introduced web conferencing, a new tool that enables Family Bankers® to attend webinars on topical issues directly via their PCs or other devices.

TOOLS AND COMMERCIAL BROCHURES

To provide unique, tailored and highly professional consultancy services, Banca Mediolanum supports Family Bankers® by providing them with commercial tools designed to help them illustrate specific products and services and to plan their sales activity.

These tools:

- > contain certified data and information;
- > have strong appeal for customers and Family Bankers®;
- > are constantly updated and adapted to reflect the changing market conditions and needs of the customers and the Sales Network;
- > are extremely flexible, to enable Family Bankers® to adapt their sales approach to each customer's requirements.

These tools, which are jointly developed by various Headquarters Departments and the Sales Network, build on real success cases and include:

- > tools: multimedia tools (which are integrated with BMedNet and connected to the customer database) developed according to a sales approach

and containing certified and constantly updated information and data;

- > Mobile App: native applications for tablets and smartphones with characteristic simplicity of use, even without an Internet connection;
- > commercial brochures: paper versions of the tools, which are usually brochures also containing separate technical data sheets integrating the multimedia tools to enable flexible use of such tools and meet a wider range of customer and Family Banker® needs.

These commercial support tools are designed to respond to specific customer needs in terms of banking, pension, investment and credit services. The Sales Network uses these devices more than 40 thousand times per month on average.

DEDICATED SALES SUPPORT CENTRE

A service staffed by approximately 110 operators - who may be contacted by phone or in writing - providing support and assistance to the Network has been active at Headquarters since 2008. In 2014, operators received more than 490,000 requests from Family Bankers® and Private Bankers®, of which approximately 290,000 by phone. In 72% of the cases, the request was managed within the same phone call. The main objective of this set-up is to provide the best possible support, in real time, to Family Bankers® in their work.

LITIGATION AND DISPUTES

Ongoing proceedings involving members of the Sales Network in some capacity refer mainly to improper behaviour or actions that are in breach of regulations on off-premises sales, in which the Bank may also intervene in favour of the injured customer.

To mitigate these risks, the Sales Network Inspectors and the Anti-Money Laundering Unit perform checks on the sales activity of the Network on a regular basis, with the objective of ensuring full and continuous compliance with the regulations applicable to off-premises sales of financial products and services. Checks and audits were conducted at Financial Advisors' offices as well as at corporate Headquarters, thanks to the use of remote monitoring and assessment tools.

In addition to such checks, potential operational and reputational risks related to the Sales Network activities were assessed by using specific quantitative and statistical indicators.

To further protect the Bank, the insurance policy covering potential illegal actions by Sales Network members that could be to the detriment of customers was also renewed in 2014.

Training & learning

The bank's training offering, which provides ongoing support for the various professionals and managers in the Sales Network, has been enriched with an important initiative: the Masters in Family Banking, designed together with the Faculty of Banking, Financial and Insurance Sciences at Università Cattolica del Sacro Cuore. The Masters lasts two years and is targeted at an extremely select group of Private Bankers and Family Bankers®.

LEARNING: AN INTEGRATED PROCESS

Training courses are developed based on an approach that integrates different teaching methods and tools in order to make learning as effective and as practical as possible.

An advanced Learning Management System supports and facilitates self-directed learning. Self-study provides fundamental preparation prior to entering the classroom where all the ideas and knowledge acquired during the self-study phase turn into a shared experience. On-the-job training follows the training phase to put into practice what was learned in the training sessions.

TRAINING AND DRILLING: DIALOGUE AND SHARING

MedBrain enables the Banca Mediolanum Sales Network to access their study plan - containing constantly updated information about specific courses and tests passed - as well as data analyses and reports.

The main activities and figures concerning 2014 are set out below.

In 2014, Mediolanum Corporate University launched the first edition of the Masters in Family Banking, designed together with the Faculty of Banking, Financial and Insurance Sciences at Università Cattolica del Sacro Cuore. The Masters, targeted at a very select group of Private Bankers and Family Bankers®, lasts two years and involves a total of 40 days of classroom-based teaching. The quality of the instruction is guaranteed by a teaching body made up of tenured professors from the Università Cattolica, combined with contributions from managers at Banca Mediolanum and leading professionals in the industry. The Master aims to build and maintain high levels of specialisation in finance, strengthen the skills involved in granting credit, managing projects and planning, while improving the capacity for passing family and company knowledge down through the generations and leveraging social skills, which are essential for building robust and trusting customer relationships and a top-class advisory service.

In addition to the normal training activities, Mediolanum Business Meetings - which are held every two weeks and covers the entire

Sales Network - also continued in 2014. The aim of the meetings is to provide the Sales Network with training on new market trends and company strategies, as well as providing in-depth technical and commercial information on the Bank's offering. Moreover, the same cycle of meetings has also continued for our professional Global Bankers, distinguished by a different level of training on some topics and the frequency of meetings, which in this case is monthly. As regards the training of the Team of Trainers selected to carry out the programme, there has been a continued focus on improving their technical and communication skills, which in 2014 involved classroom lectures alternating with remote training (webinars and corporate TV). A total of 4,068 Family Bankers® participated in one or the other types of Mediolanum Business Meeting, providing 163,187 hours of classroom-based training across Italy.

Seven conferences on Voluntary Disclosure were organised in 2014 for Private Bankers and Global Bankers, to develop their knowledge of the subject. Held both at the Basiglio Office and elsewhere around the country, the conferences were attended by around 800 professionals.

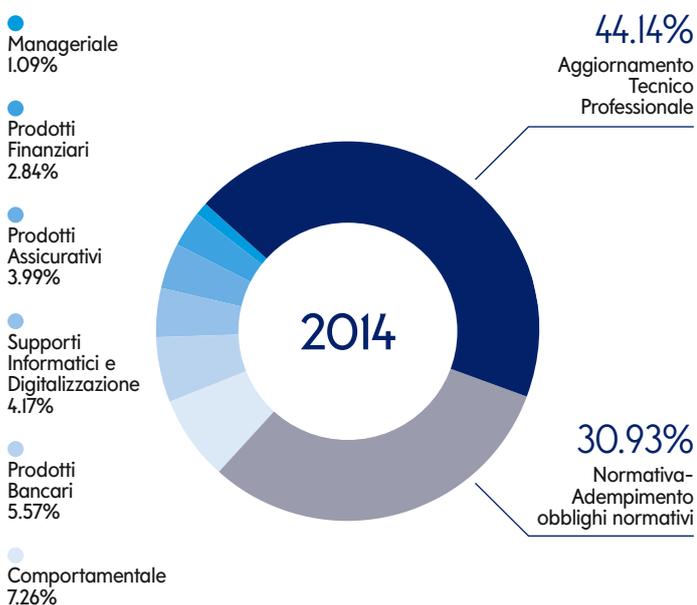
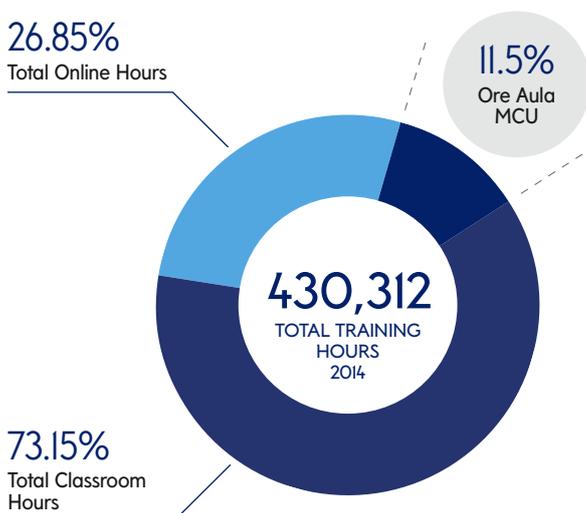
As regards the training of internal Faculty Trainers at MCU, there was a continued focus on the recruitment and training of new Trainers in view of new professional training courses on asset administration, asset management and banking. The Trainers were provided specialist technical training and help to develop and improve their interpersonal, communication and class management skills. The intensive training of Protections Trainers continued, for around 70 members of staff who within the Sales Network have specialist training on protection products and are responsible for fostering and increasing the Sales Network's skills in this sector.

Since 2011, Banca Mediolanum has worked alongside the Sales Network to provide Family Bankers® with training courses leading to the EFPA Certification, both at European Financial Adviser (EFA) and European Financial Planner (EFP) level. Six rounds were held in 2014, one of which for the advanced level EFP. To date, there are 139 EFA-certified Family Bankers® at Banca Mediolanum, plus 20 with EFP certification, totalling 159 EFPA-certified Family Bankers®.

In 2014, as part of a process of digitalisation, classes called "Innovation in Action Conferences" were held to provide the sales department with training on the new tools released during the year to simplify and optimise the work of the Sales Network. The initiative involved all Family Bankers®, with 180 classes held around the country. In 2014, a total of 430,312 training hours were provided, in line with the 2013 figures. Within this figure, there was an increase in classroom training hours (+12.10%) and a decrease in online training activities caused mainly by the rise in decentralised training activities throughout Italy. There were increases in hours of technical and professional training (+26.67), conduct-related training (+6.65) and on IT and digitalisation (+4.69). There was a significant reduction in managerial training hours (-67.97%) due to a suspension in the main institutional courses for these professionals so that the training courses in the segment could be redesigned and fully updated before being relaunched next year.

2014 figures are provided below.

TOTAL TRAINING HOURS				
	Training hours 2013	Training hours 2014	Delta vs 2013	%
Total Classroom Hours	280,766	314,762	33,996	12.11%
di cui Ore Aula MCU	66,946	49,481	- 17,465	- 26.09%
Total Online Hours	149,199	115,550	- 33,649	- 22.55%
OVERALL TOTAL	429,965	430,312	347	0.08%

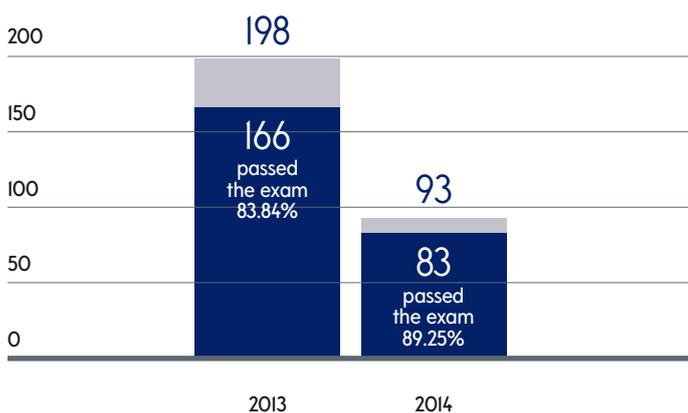


TOTALE ORE FORMATIVE PER CATEGORIA		
	Ore di credito 2013	Ore di credito 2014
Aggiornamento Tecnico Professionale	149,941	189,944
Comportamentale	29,298	31,245
Manageriale	14,675	4,700
Normativa-Adempimento obblighi normativi	152,190	133,107
Prodotto Assicurativi	29,577	17,169
Prodotti Bancari	19,548	23,963
Prodotti Finanziari	17,593	12,238
Supporti Informatici e Digitalizzazione	17,143	17,946
TOTALE COMPLESSIVO	429,965	430,312

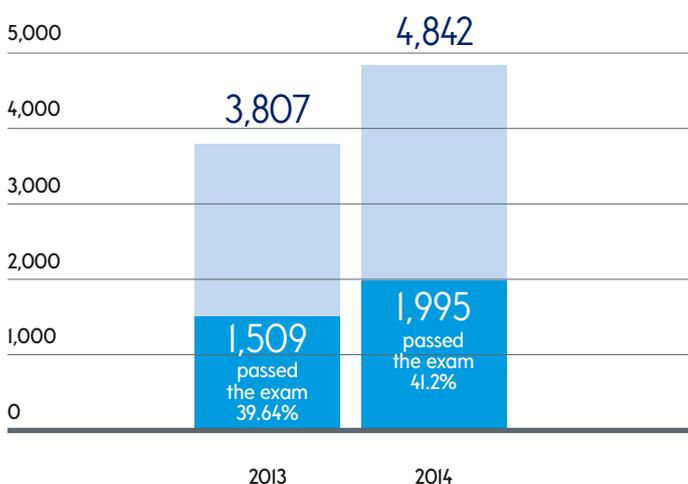
PREPARATION FOR THE STATE EXAM FOR REGISTRATION IN THE FINANCIAL ADVISOR REGISTER

As regards the number of people who took the exam in the three exam sessions that were held in 2014, there was an increase in the number of candidates from other businesses and a decrease in the number of candidates from Banca Mediolanum. Ninety-three Banca Mediolanum candidates took the exam, versus 198 in 2013 (105 less than last year, i.e. -53%). The number of candidates from other businesses who took the exam, instead, increased, reaching 4,842 versus 3,807 in 2013 (1,035 more than last year, i.e. +27%). Eighty-three candidates from Banca Mediolanum passed the exam, versus 166 in 2013 (83 less than last year, i.e. -50%), with an 89.25% success rate, slightly higher than the previous year (83.84% in 2013). A total of 1,995 candidates from other businesses passed the exam, versus 1,509 in 2013, with a 41.2% success rate, slightly better than in 2013 (39.64%).

Banca Mediolanum candidates



Candidates from other businesses



Family Banker® recruiting

Focusing mainly on professionals from the banking and financial sectors, Banca Mediolanum has confirmed last year's strategic decision to invest in qualitative improvement. Professional background and experience once again was the crucial element in the recruitment of new Family Bankers®.

The Department responsible for achieving these objectives is Family Banker® Recruiting, which aims - through management teams both at Headquarters and locally - to support the far-reaching work of the Local Managers, who are directly responsible for growth. In particular, the Headquarters Team - which reports directly to the Sales Department - works to provide innovative support and suitable tools to ensure the efficient functioning of the recruitment process. It also works alongside and trains the managers responsible and all those involved in the recruitment process.

Last year was characterised by a significant focus on candidates with a proven market of existing contacts, totalling 190 new Family Bankers®, of whom 106 from the banking and financial sector. To meet market requirements, new types of contracts have been introduced for bankers and advisors from other sales networks, to ensure greater transparency and make the working relationship more durable and fruitful.

Other than these contracts, themed events were organised during the year with the active involvement of the ownership, to improve candidates' familiarity with Banca Mediolanum's core cultural and business values.

Tools have been created to help bankers not yet enrolled in the professional register of financial advisers during the training and examination period.

Increasing the size of the Sales Network remains a Group-wide strategic objective for Banca Mediolanum.

Customer Relations - Family Banker®

THE FAMILY BANKER OFFICE®

Banca Mediolanum and its Family Bankers® are present in all Italian regions and main cities in Italy with offices that are located at street level and offices located on higher floors. All Sales Network offices are Family Banker® administrative offices.

The street level premises - i.e. the Family Banker Offices® - are the place where customers can find out about Banca Mediolanum and, with the help of Family Bankers®, they can also learn how to use the Bank's multiple channels.

Family Banker Offices® are a point of contact where customers and prospects can obtain information or advice on financial, banking or pension matters from a Family Banker®.

**NUMBER OF FBOS, OFFICES AND BRANCHES
 AS AT 31 DECEMBER 2014**

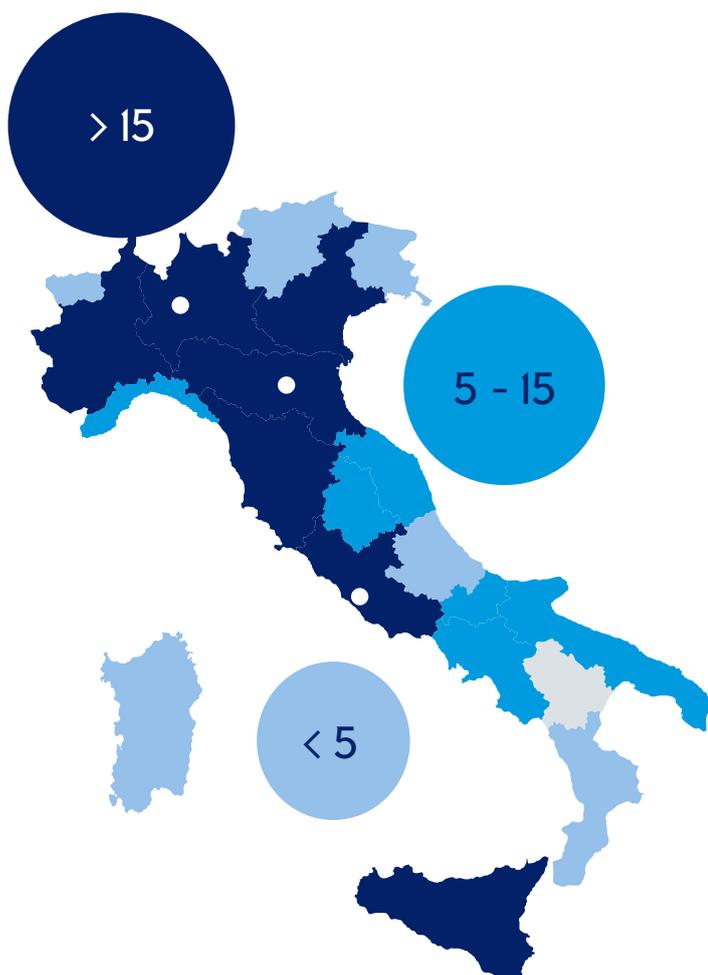
OFFICE TYPE	No.
Family Banker Office®	248
Sales network / Traditional offices	234
TOTAL	482

The regions with the greatest number of Family Banker Offices® are: Lombardy, Veneto, Emilia Romagna, Lazio, Sicily, Tuscany, and Piedmont.

Besides the Headquarters branch in Basiglio, there are four other branches of Banca Mediolanum: Milan, Rome, Bologna and Basiglio.

Number of Family Banker Offices®

○ Branches



NETWORK OF FAMILY BANKER OFFICES® ACROSS ITALY

REGION	No. of FBO's
Valle D'Aosta	2
Piedmont	17
Lombardy	39
Trentino Alto Adige	4
Friuli Venezia Giulia	4
Veneto	37
Emilia Romagna	28
Liguria	5
Tuscany	22
The Marches	14
Umbria	6
Abruzzi	4
Lazio	21
Molise	5
Campania	8
Apulia	6
Sardinia	2
Calabria	3
Sicily	21
TOTAL	248

Employees

In line with the principle that “*a company’s success depends on more than just the right strategy*”, the Mediolanum Group increased its investment in human capital in 2014, despite the long-term economic uncertainty affecting the banking sector.

In 2014, 232 new employees were hired, mainly accounting for the 9.1% increase in the workforce compared to 2013.

The fundamental elements underlying the Mediolanum Group’s competitiveness include its commitment to developing employees with outstanding skills, the active engagement of personnel in processes relevant to them, and a particular focus on the internal communication system to promote a culture of dialogue and the free flow of information.

The search for quality-oriented, flexible and highly motivated employees is carried out in complete compliance with the principles of respect and equality.

A series of projects and initiatives were launched in this vein during 2014.

In terms of **personnel management and development**, there was a continued effort to improve Performance Management tools, gearing them increasingly towards performance improvement in order to support internal processes.

Because of their different characteristics and the range of responsibilities assigned, assessment tools are differentiated by category: managerial, professional, coordination and operational.

The **compensation system** and the rationale behind compensation policy management were redesigned to:

- > nurture staff members by rewarding merit and performance;
- > offer an attractive and competitive compensation package (both for existing and prospective staff);
- > differentiate according to internal workforce segmentation criteria.

To this end, in 2014, a “*Variable Compensation Plan*” (VCP) was introduced, providing a system of short-term incentives for middle management and corporate executives.

The plan establishes criteria and procedures for the definition of a variable remuneration component, which aims at recognising and rewarding the achievement of specific targets and specific individual performances.

A study on extending welfare and implementing a Flexible Benefits plan, to be launched in 2015, was carried out to promote work-life balance, in line with the company’s focus on developing people, increasing engagement and boosting the “value proposition” offered by the company.

To this end, a survey of all employees was carried out in 2014, in order to gather information about employee preferences and needs with regards to a potential benefit package.

Employee training was redesigned and broadened in order to improve technical and managerial knowledge and skills, with special focus on promoting professional growth for company employees with the best skills and potential. The following courses are available:

- > Executive Master in Banking & Business Administration (EMBBA);
- > Certificate in Banking & Finance;
- > Brain Marathon;
- > Project Management;
- > Mediolanum Team Management.

The Mediolanum Group **recruits** qualified personnel through a structured process that, following principles of fairness and impartiality, ensures the growth and renewal of skills within the company.

Personnel selection is coordinated by the Recruitment and Selection Department, created in Spring 2014. The Department is responsible for finding and selecting new personnel, taking into account set budget limits, management requirements and the recruitment plan.

The Recruitment and Selection Department has redeveloped and implemented selection processes for the Bank and for the Group’s Italian subsidiaries.

Creating value through a long-term vision of personnel requires a suitable internal communication system, necessary for employees to feel engaged in the Company’s strategy and operational objectives. Finally, the ability to “listen” involves rewarding suggestions for improvement and innovation, which often become drivers of success and significant incremental improvement.

Being competitive in the today’s new environment requires the ability to engage with the market in new ways and to overcome all barriers, including within the organisation.

In the Organisation Department, a study is under way that will lead to the implementation of the “Digital Workplace.” This project is aimed at emphasising how information transparency is one of Mediolanum’s values, as well as at increasing information sharing between different corporate levels and individuals by redefining the means of support for internal information flows.

The objectives of the Digital Workplace include: increasing the engagement and contribution of employees; improving the corporate climate and compliance, increasing responsiveness to the requirements of end customers and of the sales network; and being at the forefront in the use of technology to fully embrace smart working practices.

Idea Management, another new initiative, has led to the creation of a virtual space where Mediolanum employees can generate innovative ideas for new projects benefiting both the company and customers. The entire company community is encouraged to contribute to the network, to co-create, comment and vote on ideas and projects, the best of which will then be implemented.

Analysis of employees

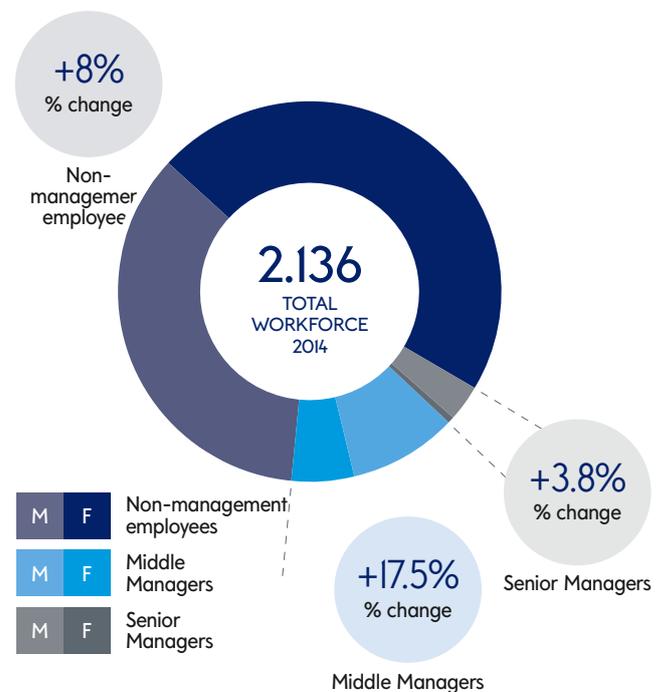
An overview of the Mediolanum Group's workforce at the end of the year is provided in the following pages. Figures for 2014 are compared with 2013 figures.

BREAKDOWN BY CATEGORY AND GENDER

2014				
Category	Number			% of total
	M	F	Total	
Senior Managers (*)	68	13	81	3.8%
Middle Managers	192	117	309	14.5%
Non-management employees	753	993	1,746	81.7%
Total	1,013	1,123	2,136	
Men/Women (%)	47.4%	52.6%		

2013				
Category	Number			% of total
	M	F	Total	
Senior Managers (*)	66	12	78	4.0%
Middle Managers	158	105	263	13.4%
Non-management employees	702	915	1,617	82.6%
Total	926	1,032	1,958	
Men/Women (%)	47.3%	52.7%		

% change				
Category	Number			% change
	M	F	Total	
Senior Managers (*)	2	1	3	3.8%
Middle Managers	34	12	46	17.5%
Non-management employees	51	78	129	8.0%
Total	87	91	178	9.1%



* The data does not take into account 2 senior managers in 2013 and 1 senior manager in 2014, hired on fixed-term contracts for a specific project in the Banca Mediolanum Sales Area.

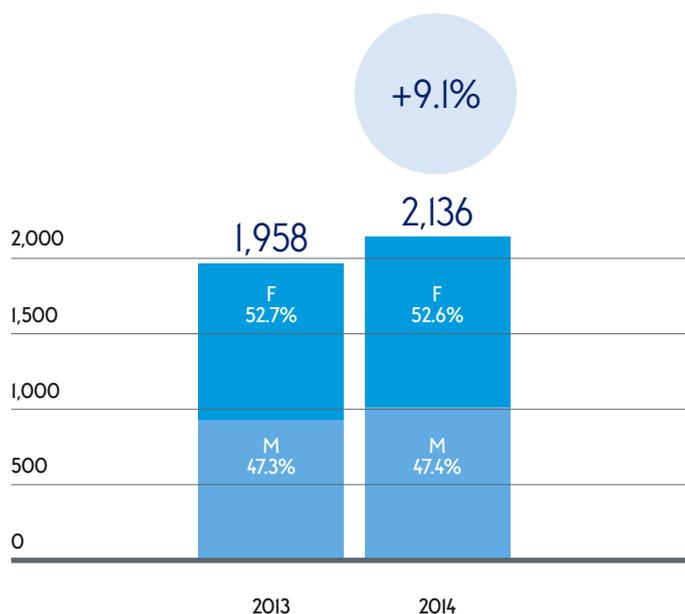
The Mediolanum Group registered a 9.1% increase in its workforce in 2014, significant when compared to the employment trend in the industry, which decreased by 2.1% in the two-year period 2012-2013 (ABI data**).

In 2014, there was a significant increase in the workforce at management level, with a 17.5% increase in middle managers over previous years. The Mediolanum Group hired highly skilled personnel to support investment in technological and organisational areas.

This year, approximately 53% of the workforce was women, showing a male/female ratio essentially in line with the previous year.

** ABI "2014 Report on Employment in the Finance Industry".

Increase in workforce of the Mediolanum Group



BREAKDOWN BY TYPE OF CONTRACT

	2014				2013					
	Number by category			Total	% of total	Number by category			Total	% of total
Type of contract	SM	MM	NME							
Banking		270	1,634	1,904	89.1%		226	1,507	1,733	88.5%
Insurance	1	15	69	85	4.0%	1	12	62	75	3.8%
Commerce	80	21	30	131	6.1%	77	22	34	133	6.8%
Private radio & TV networks		3	13	16	0.8%		3	14	17	0.9%
TOTAL	81	309	1,746	2,136		78	263	1,617	1,958	

The breakdown by type of collective contract reflects the weight assigned to the different components of the Group's business. Apart from banking, insurance and commerce contracts, since the Group includes Mediolanum Comunicazione S.p.A. - a company engaged in the communications business - some employees have a "Private Radio & TV Networks" contract.

BREAKDOWN BY TYPE OF CONTRACT

	2014	2013	
Type of contract	Number	Number	% change
Permanent employment, of which	2,081	1,919	8.4%
Apprenticeship	210	120	75.0%
Total fixed-term contracts, of which	55	39	41.0%
Trainee	0	11	-100.0%
Fixed-term contracts (*)	55	28	96.4%
Total standard contracts	2,136	1,958	9.1%
Total flexible contracts and other forms of employment	150	90	66.7%
TOTAL	2,286	2,048	11.6%

In 2014, there was a considerable increase in the number of permanent employment contracts versus the previous year (+8.4% versus 2013).

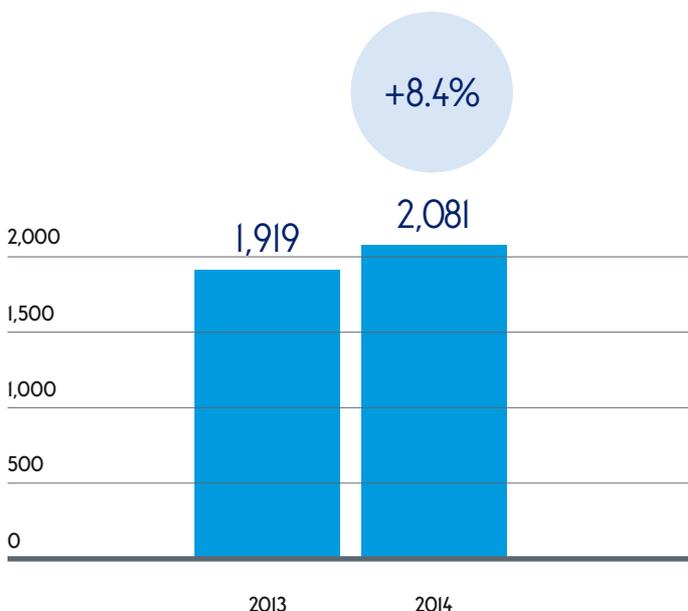
The year featured an increase in hires of young people, with apprenticeship contracts the most frequent type of contract for hires of recent college and high school graduates: 44% of new hires were given an apprenticeship contract, 9.8% of the total workforce and a 75% increase versus 2013.

Mediolanum Corporate University delivers a specific technical and vocational training programme for new apprentices, as well as reinforcing the focus on the client.

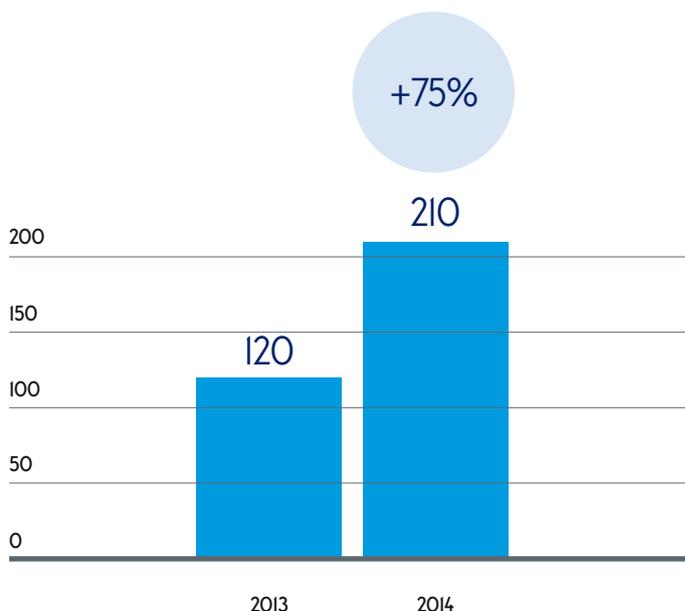
There was also an increase in flexible contracts, representing 6.6% of the total workforce, principally comprising agency workers. The rise was mainly due to the launch of new projects linked to developing business start-ups, in which a form of flexible contract is used ahead of assessments on their continuation.

* The data does not take into account 2 senior managers in 2013 and 1 senior manager in 2014, hired on fixed-term contracts for a specific project in the Banca Mediolanum Sales Area. In addition, the figures also consider replacements for maternity-leave.

Increase in permanent employment contracts



Increase in apprenticeship contracts



BREAKDOWN BY AGE GROUP

	2014				2013					
	Number by category			Total	% of total	Number by category			Total	% of total
Age group	SM	MM	NME			SM	MM	NME		
18-25			64	64	3.0%			51	51	2.6%
25-35		24	719	743	34.8%		8	693	701	35.8%
35-45	16	166	746	928	43.4%	24	155	686	865	44.2%
45-55	45	98	183	326	15.3%	39	84	156	279	14.2%
over 55	20	21	34	75	3.5%	15	16	31	62	3.2%
TOTAL	81	309	1,746	2,136		78	263	1,617	1,958	

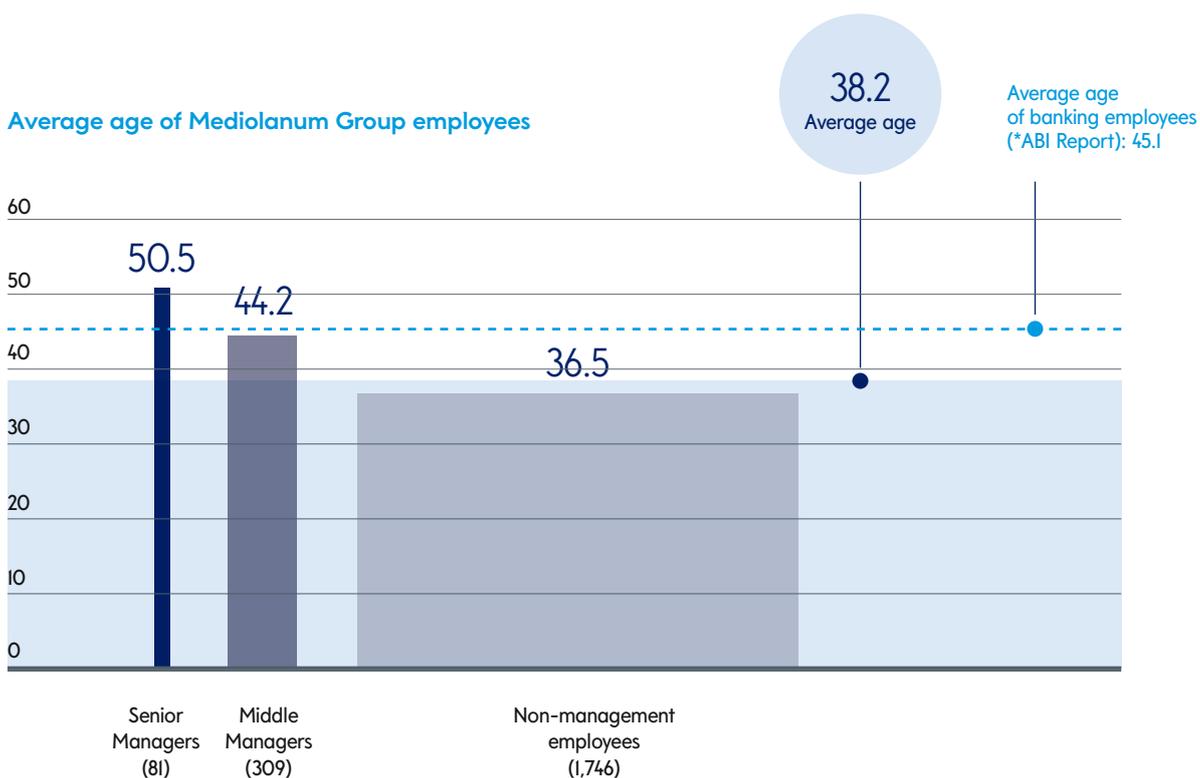
In 2014, 37.8% of employees were under 35, while the majority of employees fell within the 35-45 age group (43.4%). The breakdown of employees by category and age shows that the majority of senior managers are in the 45-55 age group (about 56%) and most middle managers in the 35-45 age group (about 54%), while approximately 88% of non-management employees are under 45. Employees over 55 make up 3.5% of the total workforce.



BREAKDOWN BY AVERAGE AGE

Category (years)	2014			2013		
	M	F	Total	M	F	Total
Senior Managers	50.1	52.5	50.5	49.3	51.9	49.7
Middle Managers	44.0	44.7	44.2	44.6	44.4	44.6
Non-management employees	35.9	37.0	36.5	35.7	36.9	36.3
TOTAL	38.4	38.0	38.2	38.2	37.8	38.0

In 2014, the average age of Mediolanum Group employees was basically unchanged with respect to 2013, at about 38, and lower than the industry banking average of 45.1 (ABI Report*). The breakdown by category and gender shows that the average age for women was similar as that for men.



* ABI, "2014 Report on Employment in the Finance Industry".

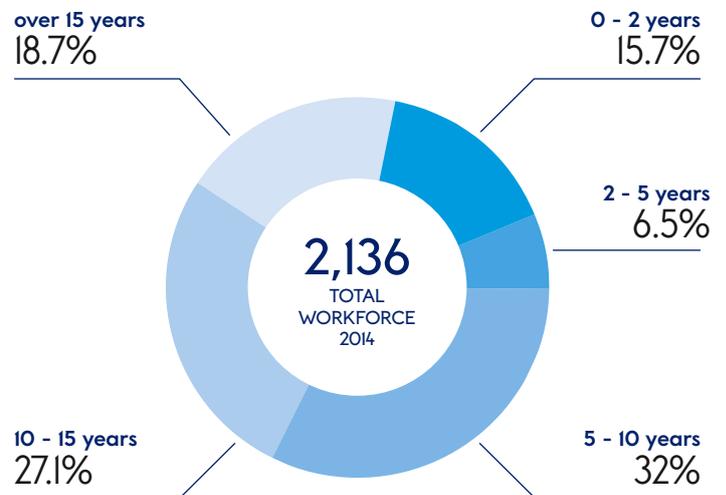
BREAKDOWN BY LENGTH OF SERVICE

	2014					2013				
	Number by category			Total	% of total	Number by category			Total	% of total
Length of service	SM	MM	NME			SM	MM	NME		
0-2 years	3	60	273	336	15.7%	1	12	162	175	8.9%
2-5 years	1	9	129	139	6.5%	3	13	141	157	8.0%
5-10 years	12	39	632	683	32.0%	13	44	671	728	37.2%
10-15 years	31	88	459	578	27.1%	31	98	435	564	28.8%
over 15 years	34	113	253	400	18.7%	30	96	208	334	17.1%
TOTAL	81	309	1,746	2,136		78	263	1,617	1,958	

NOTE: Length of service refers to the entire Group.

The table shows that approximately 59% of employees have a length of service of 5-15 years, mainly because a significant proportion joined the Group when it was undergoing rapid growth. The increase in employees that fall within the category with the lowest length of service, rising from 8.9% of the total in 2013 to 15.7% in 2014, demonstrates the Group's continuing strong growth in 2014.

The marked increase in middle managers in the category with the lowest length of service was due to the hiring of 46 highly skilled professionals by the Information Systems and Organisation departments; this led to a decrease, from 74.8% to 68.2%, in the proportion of senior managers and middle managers with over 10 years of service.

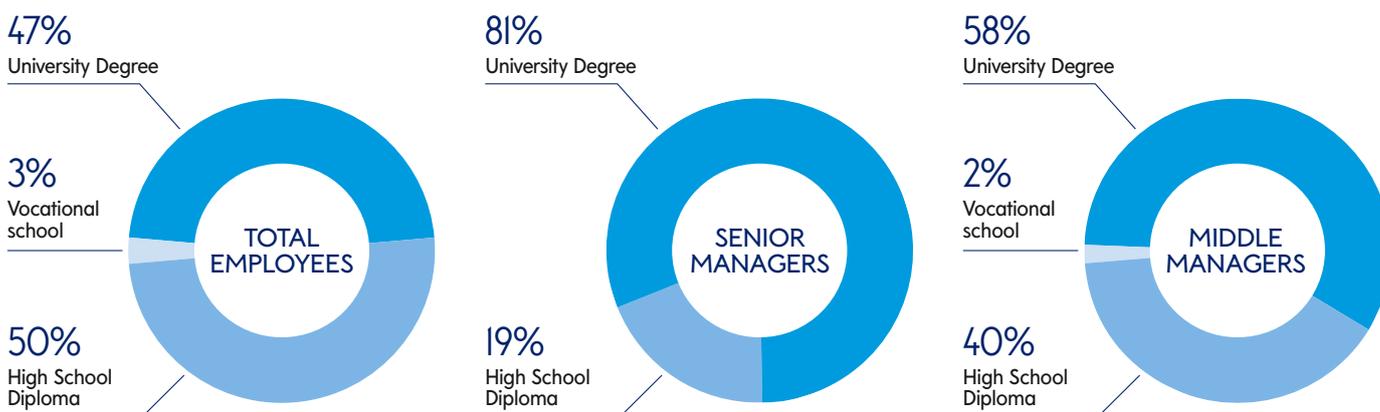


BREAKDOWN BY LEVEL OF EDUCATION

		2014				2013			
Category	Gender	University Degree	High School Diploma	Vocational school	Total	University Degree	High School Diploma	Vocational school	Total
Senior Managers	M	85%	15%	0%	100%	85%	15%	0%	100%
	F	62%	38%	0%	100%	58%	42%	0%	100%
	Total	81%	19%	0%	100%	81%	19%	0%	100%
Middle Managers	M	61%	37%	2%	100%	56%	41%	3%	100%
	F	53%	44%	3%	100%	48%	50%	3%	100%
	Total	58%	40%	2%	100%	53%	44%	3%	100%
Non-management employees	M	47%	49%	4%	100%	42%	54%	4%	100%
	F	41%	56%	3%	100%	37%	60%	3%	100%
	Total	44%	53%	3%	100%	39%	58%	3%	100%
TOTAL		47%	50%	3%	100%	43%	54%	3%	100%

NOTE: Data rounded up

BREAKDOWN BY LEVEL OF EDUCATION 2014

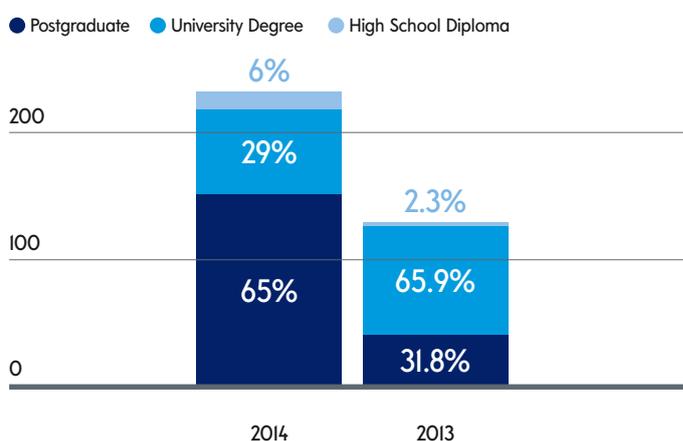


The level of education among employees further increased in 2014: approximately 47% of the total hold degrees (ABI* average: 35.7%), against 80% of senior managers and over 58% of middle managers.

EDUCATION LEVEL OF NEW HIRES

Education level	2014		2013	
	Number	% of total	Number*	% of total
Postgraduate	14	6%	3	2.3%
University Degree	151	65%	41	31.8%
High School Diploma	67	29%	85	65.9%
Other	0	0%	0	0.0%
TOTAL	232	100%	129	100.0%

In 2014, there was an increase in hires of personnel with university degrees, mainly due to an increase in professional hires.



* Figures net of the incorporation of Mediolanum Assicurazioni's into the Mediolanum Group.

BREAKDOWN OF HOURS OF ABSENCE BY CAUSE AND IMPACT ON AVAILABLE HOURS

Leave type	2014		2013	
	Hours	Incidence (***)	Hours	Incidence (***)
Holiday/maternity leave	441,527	12.4%	402,792	12.0
Sick leave	128,820	3.6%	131,682	3.9
Paid leave	73,897	2.1%	74,766	2.2
Other (*)	58,704	1.6%	56,243	1.7
TOTAL HOURS ABSENT	702,948	19.7%	665,483	19.8
REGULAR HOURS WORKED	2,863,504	80.3%	2,702,346	80.2
AVAILABLE HOURS (**)	3,566,452	100.0%	3,367,830	100.0

(*) Unpaid leave, medical appointments, strikes and other authorised leave.

(**) Available hours are the number of work days per year multiplied by the number of hours stipulated in the contract for that category

(***) Incidence is calculated as the ratio between hours of absence and the total available hours. Figures are rounded to 1 decimal place.

Senior managers are not included in the table above due to the different way in which their presence at work is accounted for. Holidays and maternity leave, which contractually are mandatory, account for approximately 62.8% of total hours of absence.

EQUAL OPPORTUNITIES

The ratio between the average compensation for men and for women, between employees in the same job category and with the same length of service, is an indicator of the gender pay gap.

2014						
RATIO OF THE AVERAGE COMPENSATION FOR MEN/WOMEN						
Category (%)	< 2 years	2-5 years	5-10 years	10-15 years	> 15 years	Average
Senior Managers (*)	1.55	na	2.13	0.86	1.30	1.23
Middle Managers	0.99	1.12	1.02	0.94	1.17	1.06
Non-management employees	1.06	1.00	1.04	1.05	1.02	1.00

2013						
RATIO OF THE AVERAGE COMPENSATION FOR MEN/WOMEN						
Category (%)	< 2 years	2-5 years	5-10 years	10-15 years	> 15 years	Average
Senior Managers (*)	na	na	1.94	0.90	1.33	1.24
Middle Managers	1.17	1.12	1.04	1.02	1.16	1.10
Non-management employees	1.00	1.03	1.04	1.07	1.01	1.00

(*) This data is not available, as there are no female employees in this category with this length of service

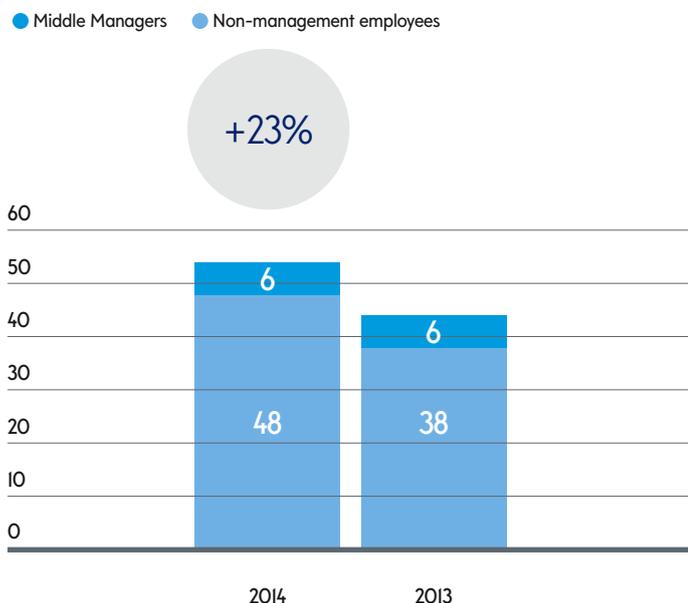
In 2014, there were no significant changes in average compensation for men and women, compared to 2013. There is a significant difference in compensation among senior managers in certain length-of-service categories, but this is attributed in large part to the different roles and levels of responsibility, as well as to the large number of employees falling within such length-of-service categories.

PROTECTED CATEGORIES

As current laws require the hiring of individuals belonging to what are termed "protected categories", some Group companies have signed special agreements with the Province of Milan local authority to plan such hires over the next few years in line with regulatory requirements. An agreement with an agency, recognised by the Milan provincial authority, that is specialised in helping the disabled find work, provides another means of searching for candidates from protected categories.

	2014	2013	% change
Senior Managers	0	0	0%
Middle Managers	6	6	0%
Non-management employees	48	38	26%
TOTAL	54	44	23%

Hiring of individuals from protected categories



The agency has a team of psychologists who recruit, select and train these individuals, according to the requirements of the job and in close collaboration with the Group's Human Resources Department. These employees are helped to settle into the company by a dedicated and specialised tutor who works for the external agency. This tutor follows the individual for the first 6 months of internal training. At the end of this period, the tutor, the team of psychologists and the company assess whether the tasks performed in training are suited to the individual's psychological and physical characteristics. The Mediolanum Group Headquarters is fully accessible to disabled employees and visitors, and provides: 13 wheelchair-accessible entryways and 23 reserved parking spaces. There are also 8 disabled toilets.

In 2014, in the light of existing legislation (article 14, Legislative Decree 276/03), Banca Mediolanum entered into two agreements with two social cooperatives to offer job opportunities to 9 disabled people, covering the associated costs.

Care for our people

PERFORMANCE MANAGEMENT AND DEVELOPMENT TOOLS

Various tools are deployed within the Group to support HR in managing and developing employee performance, in terms of meeting targets and employees' conduct and attitude in carrying out their work.

In 2014, once the project for defining professional families had been successfully concluded and the behavioural skills identified, both Company-wide and specific to the various departmental areas, a project was launched to map employees' professional expertise in relation to their roles.

Identifying employees' professional characteristics is the primary means to understand the "portfolio" of workforce expertise and skills that the company has at its disposal, to then launch the consequent management and development initiatives.

Mapping technical and specialist expertise makes it possible:

- > to identify critical skills, including for future needs;
- > to determine the level of "preparation" of company personnel;
- > to better support units and personnel in developing the expertise required by the role (support for the identification of training needs);
- > to assist in the reorganisation and review of certain departmental missions and in make-or-buy decisions;
- > to improve management of internal mobility and of recruitment and/or selection by integrating personnel profiles with the requirements of the role.

The Job Posting process, launched in 2013 as a development tool and internal recruitment channel, has continued. The initiative enables all employees to raise their profiles - in terms of CVs, aptitude and professional aspirations - in order to promote personnel growth, develop talent, enhance skills acquired and support all-round business skills by encouraging job rotation according to transparent and meritocratic criteria.

In 2014, 21 positions were filled by Company employees through Job Posting. The process is organised in such a way that all employees can freely access the selection procedure by taking part in a series of tests and interviews tailored to the job requirements.

CHANGES TO PERSONNEL STRUCTURE AND TURNOVER

In 2014, there was an increase in the number and calibre of the Group's human resources.

During the year, the Mediolanum Group created the Recruitment and Selection Department, to improve and refine the search for and selection of new personnel. The Department, which is devoted to recruiting new personnel, redeveloped and implemented selection processes both for the Bank and for the Group's Italian subsidiaries. The recruitment and selection process is split into several stages to ensure consistency and uniformity of conduct for all those involved in its various phases, according to their objectives.

The four essential areas of the process have been redesigned.

- > **1) Planning:** needs analysis, including the examination of the skills, expertise and abilities required for a role, followed by the preparation of job specifications.
- > **2) Search:** identifying the best source for searching for candidates. Should the department decide to proceed with the selection of candidates from outside the Company, it will assess which are the most appropriate channels and recruitment methods to ensure quality, cost-effectiveness and timeliness.
- > **3) Selection:** the selection and evaluation process, aimed at assessing whether candidates have the skills required for the role, as described in the job specification. This is followed by the presentation of suitable applications to management and assessment of their merits.
- > **4) Hiring and induction:** drawing up and formalising new hiring proposals; managing the induction of new employees.

These four stages are part of a three-phase process:



The department ensures the quality and standardisation of the hiring process, as well as guaranteeing the timely and effective filling of vacant posts with suitably skilled personnel, identifying appropriate channels for seeking new employees and the use of advanced instruments for selection and assessment.

External channels include the direct search of new employees online, and assistance from companies specialised in personnel search and selection. Internal channels include job posting, giving employees the opportunity to change position, while at the same time meeting the Company's new requirements.

The selection process is designed to assess candidates' personal abilities and aptitude, according to their experience and the roles to be filled.

Candidates assessed for the Banking Centre -20 to 30 year-olds, recently awarded degrees or diplomas - undergo group and individual aptitude tests.

Sector-specific experts and senior candidates undergo an initial assessment phase carried out by the selection body. Candidates who pass the first assessment phase then undergo a technical interview with the heads of the relevant department.

The Company assesses and selects new hires according to individual merit, regardless of factors such as race, ethnicity, religion, beliefs, sexual orientation, marital status or political opinions.

Selection activities centred on an ambitious IT transformation project, aimed at investing in innovation and technology, which led to the hiring of 33 new permanent employees. The new hires filled highly specialised positions, such as IT project managers, functional analysts, application specialists, data managers and service managers.

A total of 115 people were assigned to the Banking Centre.

The established internship programme continued in 2014. The programme is aimed at final year university students, to help them complete their dissertations, and at recent graduates, to enable them to gain their first work experience: 31 interns were hired in 2014.

The Group believes internship is a key means of acquiring initial work experience, for three reasons: it offers a hands-on training phase, when interns can put into practice the theoretical principles learned while studying; it plays an important role in defining young people's initial career paths, evaluating the most ambitious and those wishing to improve their CVs; it helps interns discover their interests through trial and error.

The Mediolanum Group's recruitment process in 2014 also included agency workers used to manage specific projects and requirements.

NET NEW JOBS

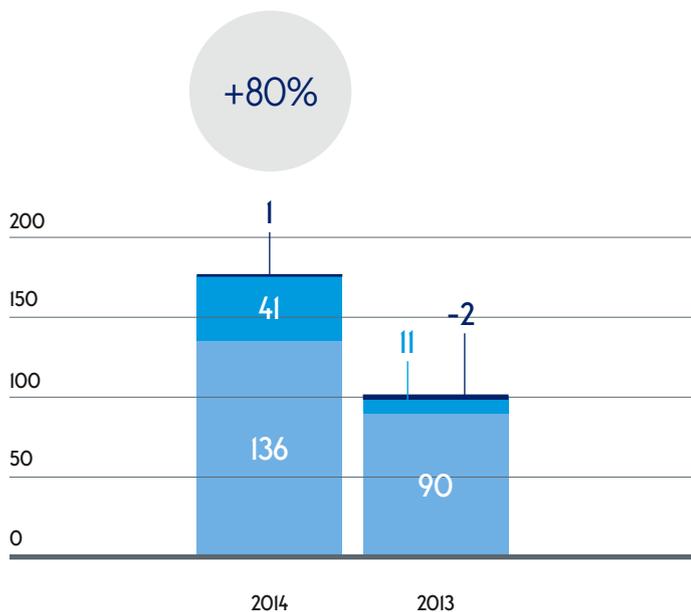
Type (Number)	2014				2013			
	SM	MM	NME	Total	SM	MM	NME	Total
Hires	2	46	184	232	1	12	116	129
Terminations	1	5	48	54	3	1	26	30
Resignations	1	4	31	36		1	22	23
Retirement			1	1	3		2	5
End of contract			9	9			1	1
Death				0			1	1
Other		1	7					
NET NEW JOBS (*)	1	41	136	178	-2	11	90	99

(*) Where Net New Jobs = Hires - Terminations

NOTE: Please note that the figures for net new jobs by category - shown in the table above - do not coincide with those in the table 'Breakdown of Employees by Category' as they do not include the impact of promotions to higher positions. The senior management category does not include executives hired under fixed-term contracts or new personnel following acquisitions.

Net new jobs

● Senior Managers ● Middle Managers ● Non-management employees



	2014				2013			
	SM	MM	NME	Total	SM	MM	NME	Total
Turnover (%)								
New hires (*) Total	2.6%	17.5%	11.4%	11.8%	1.2%	4.9%	7.7%	7.1%
Resignations (**) Total	1.3%	1.9%	3.0%	2.8%	3.7%	0.4%	1.7%	1.6%
Turnover of permanent contracts (***)	1.3%	1.9%	2.3%	2.2%	5.1%	0.4%	1.5%	1.5%

(*) New hires = No. of hires in the category/total personnel in that category at the start of the year

(**) Resignations = No. of resignations in the category/total personnel in that category at the start of the year

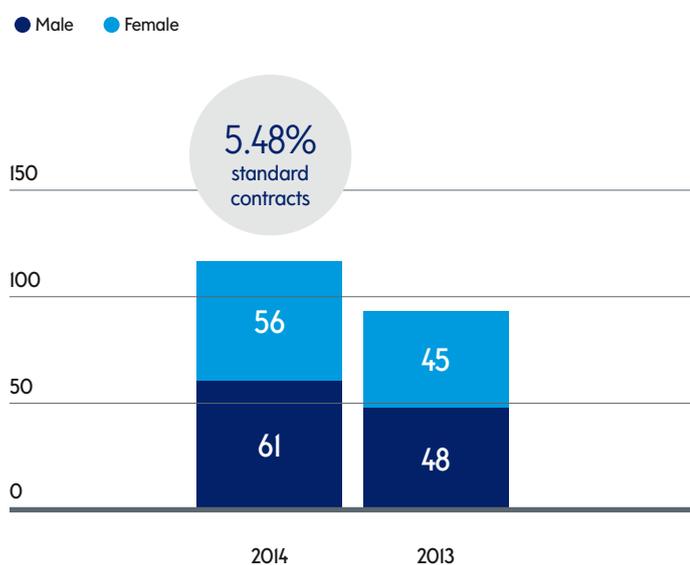
(***) Resignations calculated on permanent employment contracts and apprenticeships

Hires rose again in 2014, by 80% over 2013.
Moreover, resignations increased with respect to the previous year.

PROMOTIONS

The figures in the chart below show, in absolute terms, equal opportunities for promotion for men and women, and the extensive use of internal mobility to fill higher positions.

Promotions (number)	2014				2013			
	M	F	Total	% standard contracts	M	F	Total	% standard contracts
Middle → Senior management	1		1	0.05%	0	0	0	0.0%
Middle management → Middle management	7	1	8	0.37%	2	2	4	0.2%
Non-management employees → Middle management	4	3	7	0.33%	2	3	5	0.3%
Non-management employees → Non-management employees	49	52	101	4.73%	44	40	84	4.3%
TOTAL PROMOTIONS	61	56	117	5.48%	48	45	93	4.7%
TOTAL STANDARD CONTRACTS	2,136				1,958			



EMPLOYEE BENEFITS

Over the years, the Mediolanum Group has set up many services and activities to help its employees establish a work-life balance, often following employee suggestions, demonstrating the importance of employees to the Company and helping to improve the quality of professional relationships.

FLEXITIME

The Flexitime scheme allows employees to arrive at work any time between 8:30 a.m. and 9:30 a.m. Mediolanum also meets employee needs by adopting flexible, part-time contracts. In 2014, 52 employees took advantage of part-time contracts, with 19 different schedules.

EMPLOYER-SPONSORED SUPPLEMENTARY PENSIONS

Some time ago, the Group established a Company Pension Fund, available to all employees. The mechanism incentivises employees to enrol, as those employees (with "banking" contracts) who opt to pay their productivity bonus into the fund will see their bonus increase. At the end of 2014, approximately 85% of middle managers and 86% of non-management employees had joined the scheme.

PROTECTION: SUPPLEMENTARY HEALTH INSURANCE

Supplementary healthcare is a benefit offered free of charge to employees (middle managers and non-management employees covered under banking, insurance and commerce contracts, hired with permanent employment, trainee or apprenticeship contracts). It includes coverage for a range of medical expenses, and in some cases can be extended to the employee's family for an additional payment.

	2014	2013
Insured	Number	Number
Employee beneficiaries (middle managers and non-management employees)	1,968	1,806
No. of family members with extended health insurance	234	297
TOTAL NO. OF INSURED	2,202	2,103

No. of employees who extended their health coverage to family members	7%	9%
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TAX ASSISTANCE

Again in 2014, a free tax assistance service - introduced several years ago - was offered to employees to help them file their annual income tax returns. This year, 1,295 employees took advantage of the service, +6% on last year.

SPECIAL TERMS FOR PRODUCTS AND SERVICES

In 2014, even more favourable conditions were offered to employees subscribing to Group products and services, particularly on rates for mortgages and loans.

Employees may also take advantage of special terms for Group products and services, such as:

- > Mortgages
- > Protection and life insurance products
- > Current accounts
- > Credit and personal loans
- > Financial products and services (e.g. mutual investment funds and supplementary pension plans)

Moreover, a general advice service on savings and investments regarding the Group's products is available for employees and their families. The service is free and run by Group employees, known as 'Supporter di Sede' (Headquarters Support Service).

ACCIDENT RATE

	2014	2013	% change
Total no. of accidents	28	33	(15.2%)
Of which commuting accidents (*)	20	28	(28.6%)
No. of days of work lost for industrial accidents	498	281	77.2%
Severity index (**)	0.17	0.10	67.3%

(*) Commuting accidents are those that occur during commutes to and from work.

(**) The severity index is defined as the number of days of absence due to industrial accidents per thousand hours worked.

The majority of accidents occurred during commutes.

Workplace safety

Safety activities are conducted to ensure employee and workplace safety, in compliance with current laws, and specifically with the 'Safety Act' (Legislative Decree 81/2008), which replaced Law 626/94 and encompasses all safety regulations.

The Mediolanum Group's Safety Project continued in 2014. It aims to reduce the risk of accidents at work to zero by promoting a culture of safety in the workplace and by taking preventive measures.

In 2014, a number of workplace safety initiatives were carried out to promote a culture of safety and actively involving Group personnel, as part of the workplace risk prevention and protection system.

Many specialised support activities took place during the year for the Prevention & Protection Service (PPS), which is overseen by the "employer's safety officer" together with Prevention & Protection Service manager and representatives.

As of 31 December 2014, the PPS comprised 6 worker health and safety representatives (WHSR), 90 staff members trained and qualified to give first aid and 138 fire officers.

Moreover, in addition to the first aid kits provided at Group headquarters, 4 Semi-Automated External Defibrillators (AEDs) (Schiller's FRED easy Online AEDs) are available at reception on the various Mediolanum premises. This year, 22 of the employees trained in first aid volunteered to attend the Basic Life Support Defibrillation (BLS-D) course, certifying them to use the defibrillators.

The Risk Assessment Document (no. 81/2008) is continually updated. In accordance with the Organisation and Management Model (Modello Organizzativo di Gestione - MOG), 11 regular Safety Meetings were held, attended by the current Safety Team. Moreover, 11 Hazard Surveys were conducted, i.e. inspections of particular workplaces to detect any non-compliance and implement corrective actions.

Specific safety training courses for new Group hires were also carried out, including:

- > an online course for all employees;
- > a course for managers (senior safety managers and supervisors);
- > refresher courses for first-aid and fire officers.

In addition to the above-mentioned courses, mandatory under existing regulations, the Bank also organised an earthquake safety training program for all workplace safety personnel, although not required by the regulations. The course is periodically given to new emergency officers.

Additionally, the annual training course for workers' health and safety representatives was held in December 2014.

The Innova intranet portal, by which the Company communicates with its people, contains a Safety section with information on employee workplace safety, including: first aid procedures, evacuation plans and appropriate behaviour in case of an earthquake, the emergency phone number, industrial accident charts, workplace safety officers, and the location of first aid kits.

Moreover, the Bank continued its ongoing monitoring of the suitability of infrastructure and of the micro-climate.

Company-employee relations

EMPLOYEE RELATIONS

The Mediolanum Group has always placed great importance on the needs of its employees.

In 2002, the Employee Relations Unit was set up within the HR Department to improve the quality of working life and the organisational climate by strengthening relationships with employees as well as by organising a number of recreational activities.

In the initiatives undertaken, people and their needs and demands have always come first. Services and projects have been launched aimed at all our people, to improve everyday life, achieve work-life balance, enhance preventive healthcare and promote recreational, cultural and sports activities.

In addition to the service provided by the Baby Med crèche, other services are provided to meet employee needs and solve problems, saving them time and money:

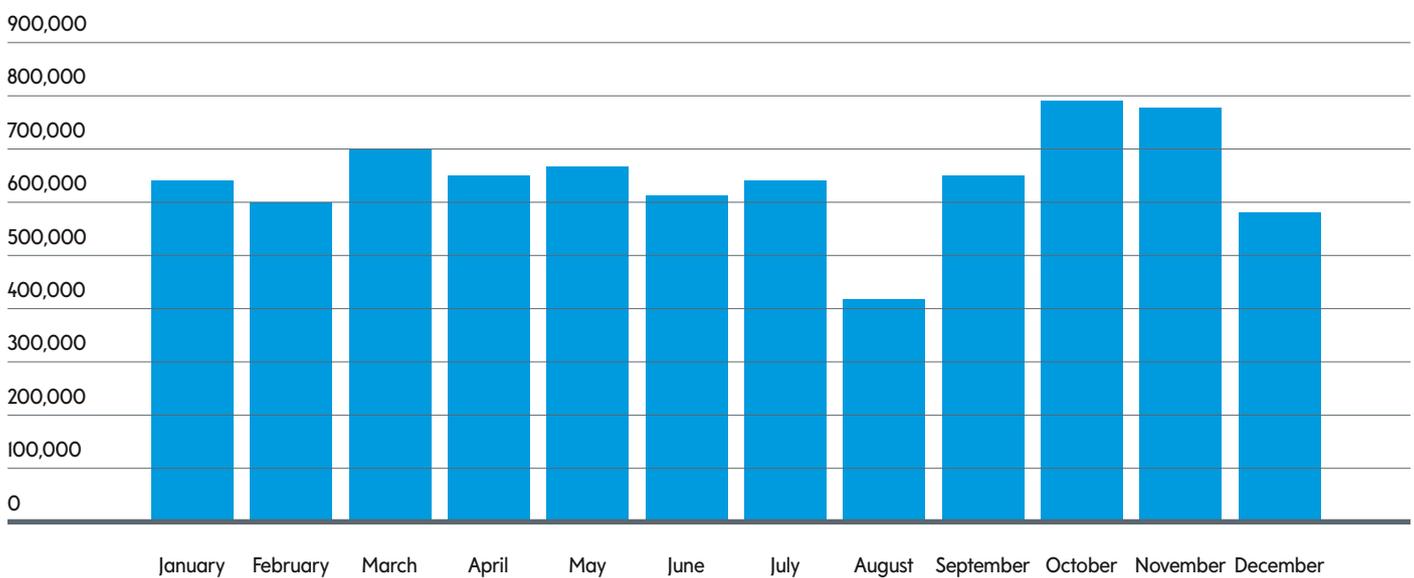
- > assistance and advice with paperwork, such as renewing and replacing driving licenses and passports, and car registration and transfer of car ownership;
- > shoe repairs;
- > clothes repairs;
- > laundry services;
- > provision of high-quality, organic foods;
- > car maintenance agreements and special deals with mechanics and tyre specialists;
- > summer camps for employees' children when schools and nursery schools are closed;
- > Company shop selling baked goods such as bread, focaccia, pizza and cakes, at reduced prices.
- > osteopathy: a professional, qualified osteopath provides sessions in a room set up on site, subject to reservation;
- > agreements with medical centres for preventive checkups and specialist appointments, with a dedicated booking service and subsidised costs;
- > a temporary shop for employees, selling clothes, household goods, and jewellery at very favourable prices;
- > from October 2014, a new fitness centre is available with changing rooms and showers, where employees can do a variety of fitness activities such as yoga, pilates, zumba and general workouts;
- > bicycles are available for employees to use in work breaks and at the end of the working day;
- > sports and Company competitions for employees;
- > cultural initiatives (agreements with theatres, exhibitions and conferences);
- > discounted purchases (books, gym memberships, etc.);
- > gifts for births and marriages.

THE INNOVA PORTAL

The Group uses the Innova intranet portal to communicate with its employees. It is the gateway to the information and tools regarding all aspects of working life at Mediolanum.

On the portal, employees can find information about the Group, its regulations, Code of Ethics and dress code, as well as out-of-work events and initiatives. Innova gives employees access to nearly all the activities mentioned in this section.

Number of visits to the innova portal - 2014



NB: The figures indicates the number of page views during the period

Employee involvement

Mediolanum Group employees actively take part in improving the efficiency of corporate processes. One of the principal methods for doing this is the Work Improvement Teams, first introduced into the Company in the 1990s. Following the positive results of this method in terms of Company climate and the active engagement of people in Company life, as well as economic benefits and process improvement, a new initiative was launched in 2014: Idea Management, which takes an even more cooperative approach and aims at engaging the entire workforce in improvement.

IDEA MANAGEMENT

The development of Idea Management began in March 2014, as part of the digital transformation process named D-MED, with the support of about eighty pioneers (Pivots). It is a new way to generate improvements at Mediolanum through a more “social” cooperative process.

The programme, which has so far involved over 500 employees from the Banking Operations Division, will gradually involve all units through a challenge-driven mechanism: real challenges on issues defined by management, or that emerged from crowd sourcing, to generate and develop ideas for improvement.

The process involves several stages:

- > Challenge launch
- > Developing ideas
- > Idea assessment
- > Development of Cost-Benefit Analysis (CBA)
- > Cost-benefit analysis assessment

If the CBA is positive, the implementation phase begins.

In this way, everyone will have the opportunity to participate directly in changing Mediolanum through ideas, both small and large, e.g. a suggestion for a daily activity, or a proposal for a company project. It is also possible to help develop other people's ideas through comments, votes and feedback, including via a dedicated software platform.

Thanks to IT innovations, 20 years' meaningful and valuable experience gained with the Work Improvement Teams can continue in this new project, which has a higher engagement potential and more ways for employees to cooperate.

In 2014, the first 13 challenges generated 124 ideas, which have been enhanced and developed through collaboration. Some of these ideas were considered for future assessment in view of their possible implementation.

Employee training

CLASSROOM AND ONLINE TRAINING HOURS

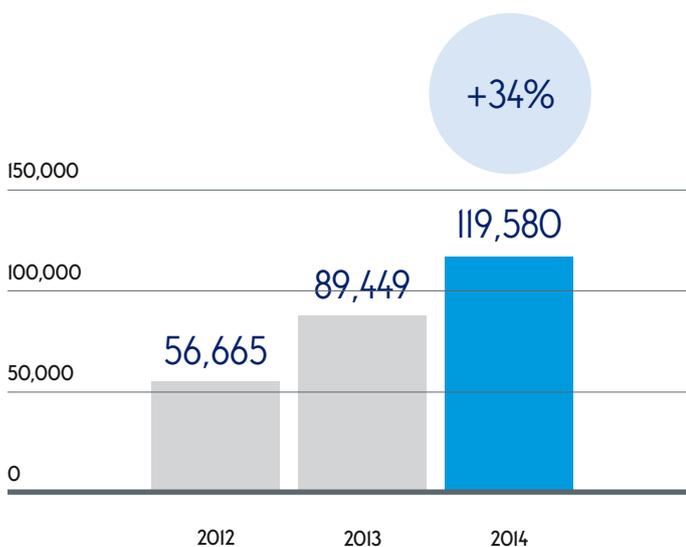
Figures updated as at 31 December 2014

TOTAL TRAINING HOURS	Training hours 2012	Training hours 2013	Training hours 2014	Change '13-'14
Total On-site Classroom Hours (*)	41,430	59,536	102,999	73%
Total Off-site Classroom Hours (**)	1,785	3,545	4,403	24%
Total Online Hours	13,450	26,368	12,178	-54%
Overall Total	56,665	89,449	119,580	34%

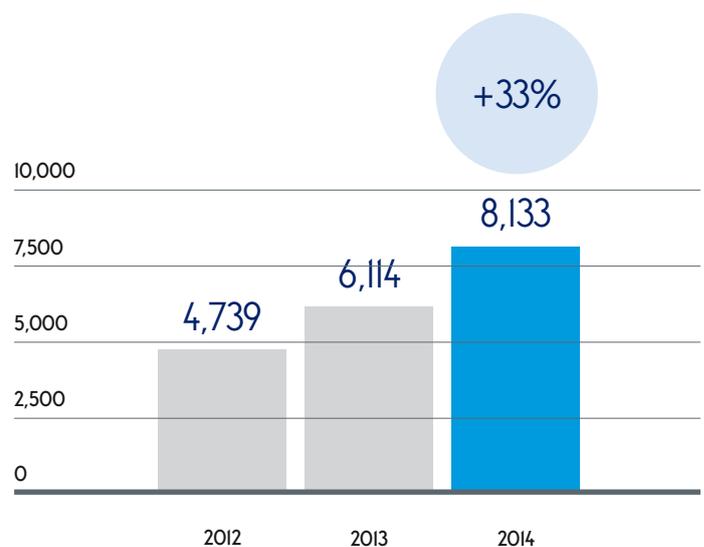
CLASSROOM AND ONLINE ATTENDANCES

TOTAL ATTENDANCES (***)	Attendances 2012	Attendances 2013	Attendances 2014	Change '13-'14
Total On-site Classroom Attendances	4,739	6,114	8,133	33%
Total Off-site Classroom Attendances	129	219	208	-5%
Total Online Attendances	4,317	9,384	4,348	-54%
Overall Total	9,185	15,717	12,689	-19%

Increase in total training hours



Increase in On-site Classroom Attendances



CLASSROOM ATTENDANCES

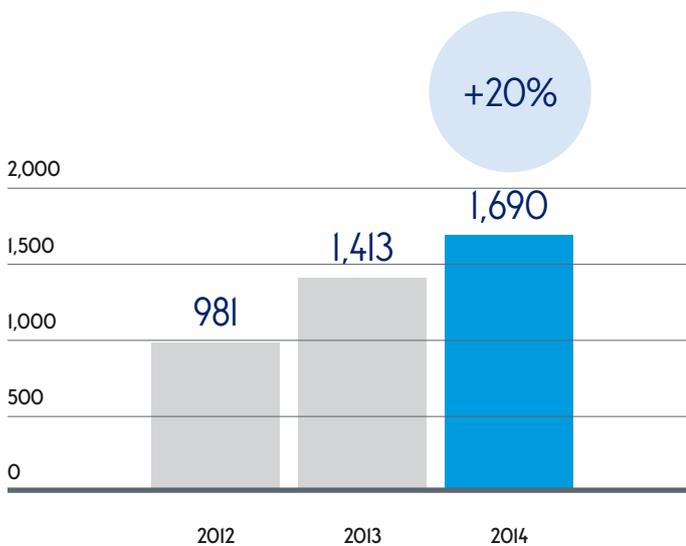
TOTAL ATTENDEES (****)	Attendees 2012	Attendees 2013	Attendees 2014	Change '13-'14
Total Employees Trained	981	1,413	1,690	20%
Percentage Total Employees Trained	53%	72%	79%	7%

NUMBER OF COURSES

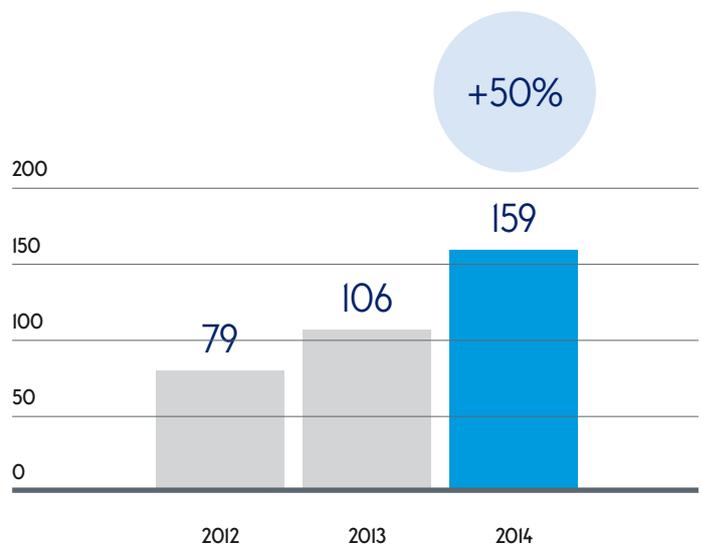
TOTAL OF COURSES	Courses 2012	Courses 2013	Courses 2014	Change '13-'14
On-site Classroom Courses	79	106	159	50%
Off-site Classroom Courses	72	116	95	-18%
Online Courses	68	48	41	-15%
Total Number of Courses	219	270	295	9%

(*) on-site classroom means training provided in MCU classrooms by internal trainers and external teachers
 (**) off-site classroom means training provided in the classrooms of external training companies by external teachers
 (***) attendance means the total number attending in the classroom or online
 (****) attendees means the total number of employees who have attended classroom training at least once..

Increase in Employees Trained



Increase in On-site Classroom Courses



The personnel training area saw a further significant increase in activity in 2014.

The total number of course-credit hours increased by 34% compared to 2013. Training hours increased, both on-site (+73%) and off-site (+24%). The number of courses held, or that can be held, by the unit increased significantly (+50%). This confirms the great efforts made by the Group in terms of planning, coordination and provision, as well as an extensive and flexible training capacity.

On the other hand, the total number of online training hours decreased compared to 2013, due to the end of mandatory training on regulations (e.g. anti-money laundering, privacy, transparency, health and safety, as well as MiFID).

Individual employee attendance data showed a consistent increase in course attendance (+33%), while the decrease in online training hours is linked to the aforementioned exceptional mandatory training activities on regulations in 2013.

In terms of individual initiatives, the following are worthy of note:

- › the second Executive Masters in Business & Banking Administration ended this year. The course was held in partnership with SDA Bocconi, and 19 Group employees “graduated” this year, including senior and middle managers.
- › the first Certificate in Banking and Finance was launched in 2014, targeted at middle managers and non-management employees. Although this course is shorter, the teachers and methodology are comparable to the Masters level.

These initiatives were designed to teach a fundamental understanding of business and business management, in order to build a common and widespread approach on economic issues.

For both projects, a number of course places were offered as prizes in a competition, through an internal selection process open to all employees meeting the minimum requirements.

A new and original training and development programme was launched in 2014. It aims to identify and develop professional and managerial skills and talent, by promoting the importance of cooperation, teamwork and cross-functional integration. The initiative, launched in February 2014, was established in partnership with the MIP-Politecnico di Milano. It recalls the Olympics both in name and in its intention to celebrate the values of fair competition, sacrifice and the search for excellence.

Brain Marathon will continue in 2015, involving 39 non-management and middle management Group employees, who will analyse real business problems. They will then find solutions through the application of project management methods and tools.

The intensive training targeted at management continued in 2014, identifying and applying the Company’s Project Management methodologies, tools and guidelines, through workshops devoted to illustrating the guidelines and experimenting with their implementation in Company projects.

It should be emphasised that, through the specialised training on these issues, numerous colleagues from the organisation and IT areas will obtain the international Project Management Professional Certification.

The Mediolanum Team Management programme was launched in 2014, targeted at all personnel responsible for team coordination. This course focuses on developing resource management skills and on defining and sharing Mediolanum guidelines for effectively managing functional and cross-functional teams.

Again in the area of coordination and resource management, a programme was completed aimed at informing and training managers on the main features and innovations introduced in the management and assessment of staff performance, started in 2013.

The significant number of apprentices hired this year required special concentration on in-depth training programmes for new hires, to enable them to rapidly achieve a high level of professionalism, in line with the high standards of service offered by the Bank’s Sales Network assistance and customer assistance.

Alongside the skills mapping model to determine the skill level of individual employees, the Bank made great efforts to plan and organise high-level specialised courses for specific types of professionals. These multi-year training programs are designed to bridge the knowledge gap by providing new, up-to-date information and by strengthening existing corporate skills and expertise.

The Company is continuing its efforts regarding refresher courses and training on financial and banking issues for operational and specialist areas. Specifically, the “Banking Techniques” training programme was further developed and extended, and a basic training programme for the lending area was designed and implemented.

For all the initiatives, there is increasingly widespread use of internal teachers selected from managers and specialists of various units.

Shareholders and investors

The Mediolanum stock

The Mediolanum stock has been traded on the Italian Stock Exchange since June 1996 and is part of the FTSE/MIB index, the Italian Blue Chip stock index, including the most liquid and large-cap companies in each industry. The stock is also a component of other major international stock indices, e.g. the Bloomberg European 500 and the S&P Global BMI Index. The following are the main events in the history of the Mediolanum stock:

- > 3 June 1996 - the Mediolanum stock is first traded on the Italian Stock Exchange in Milan at ITL 12,000 (€6.197) per share;
- > November 1997 - 1:5 stock split with ordinary shares divided by 5. Recalculating the IPO stock price after the split, the price is equal to ITL 2,400 (€1.239).

In 2014 a €0.27 dividend will be paid out.

Dividends - Mediolanum Group

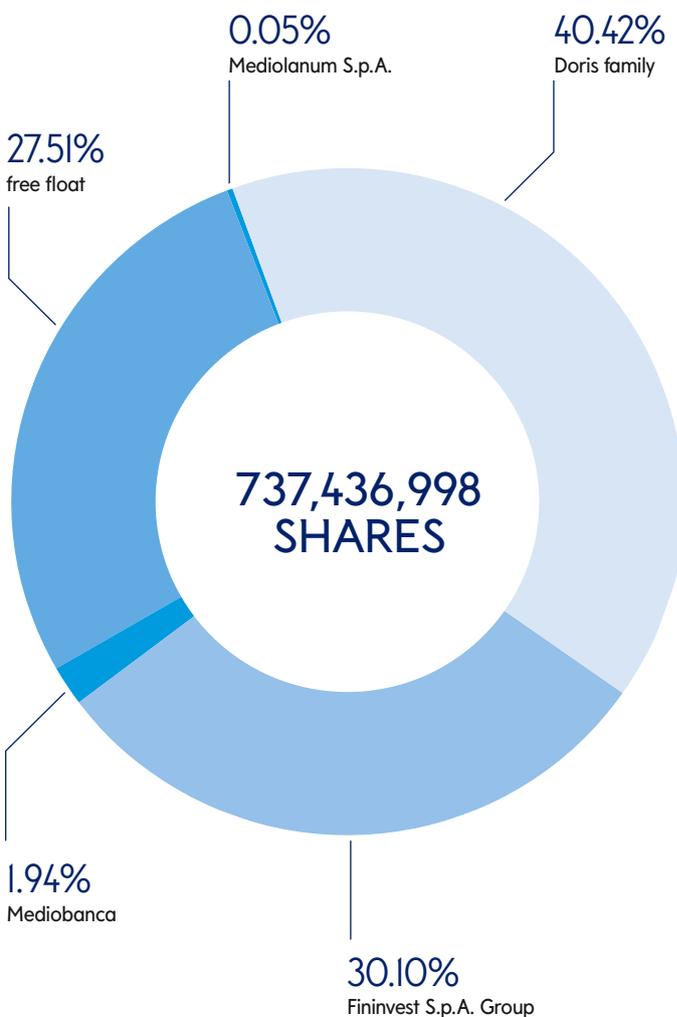
Year	DPS	EPS	Net profit	Dividend
2014	0.27	0.435	€321 million	€199 million
2013	0.25	0.457	€337 million	€184 million
2012	0.18	0.478	€351 million	€132 million

Historical data in euro

Share capital

As of 31 December 2014, the subscribed and paid-up share capital of Mediolanum S.p.A. amounted to €73,743,699.80 and included 737,436,998 ordinary shares with par value of €0.10 each. There are no shares of a different category from the one mentioned above.

The main shareholders of Mediolanum S.p.A. are the Doris family (40.42%) and the Fininvest S.p.A. Group (30.10%). Mediobanca holds a 1.94% interest with no voting rights. The free float is 27.51% and 0.05% is the proportion of treasury shares held by Mediolanum S.p.A.



Investor relations

The Mediolanum Group is committed to ongoing dialogue with the Italian and international financial community, which has always recognised its transparency and reliability.

Mediolanum S.p.A. has tens of thousands of shareholders from many different countries, including significant interests held by pension funds, mutual funds and insurance groups.

The Investor Relations team, in line with the guidelines provided by senior executives, aims to promote a line of communication dedicated to shareholders, institutional investors and financial analysts by providing prompt and accurate information about the management and strategies adopted by the company - in addition to financial and business results.

All such work is performed in compliance with the regulations laid out by CONSOB and Borsa Italiana for the dissemination of price sensitive information, which could influence the stock's performance on the market.

The Investor Relations team uses a variety of means to keep in touch with the stakeholders in the financial community: telephone calls, one-on-one and group meetings, as well as technological channels (e.g. e-mail, conference calls and video conferences).

Moreover, over the course of the year, there are a number of opportunities that take the IR team to the major international markets, such as conferences organised by the major brokers and roadshows in Europe and North America, with and without the participation of senior executives.

The number of meetings with investors continues to increase at a steady rate: the interest of international investors in Italian 'Asset Gatherers' continued in 2014.

By contrast, the number of financial analysts covering Mediolanum stock decreased during the year, as a result of internal reorganisations or mergers between brokers; this fact is reflected in the drop in contacts with this group of stakeholders.

In relation to the total number of events organised for investors and analysts, the percentage of those conducted independently by the IR team (i.e. without the involvement of the senior executives) was 51% in 2014 compared to 57% in 2013.

Moreover, the Investor Relations team ensures that up-to-date information is available to investors and the markets on a dedicated section of the website www.mediolanum.com. In this section, users can find past and recent and archive financial information as well as webcasts of the earnings releases (both the live, interactive presentations that give viewers the opportunity to ask questions, as well as past events on demand).

Additionally, the IR team provides assistance and advice to all the company departments that need to examine and/or disclose economic and financial information to external parties for any given reason.

Key communication activities

	2014	2013	Change %
No. of presentations to analysts	5	6	-17%
No. of roadshow days in Italy	4	6	-33%
No. of roadshow days abroad	24	26	-8%
No. of one-on-one meetings with analysts (*)	131	141	-7%
No. of one-on-one meetings with investors (*)	324	272	+19%

(*) Figures include: analysts and investors who were contacted by phone for one-on-one and group meetings or who attended our conference calls or presentations via the Internet. Contacts via e-mail are not included in the figures. 2013 figures have been adjusted as a result of a change in reporting criteria.

Suppliers

Procurement policy

The Mediolanum Group attributes great value to its suppliers and the role they play. Therefore, it makes great efforts to build strong and constructive long-term relationships with current and potential suppliers; these relationships based on the values and principles of lawfulness, transparency, fairness and loyalty, in compliance with the Corporate Social Responsibility criteria contained in the Social Report and the requirements imposed by Model 231/01 (i.e. the Organization and Management Model) and the Code of Ethics.

As of 31 December 2014, the Mediolanum Group had approximately 2327 suppliers. The provision of services was particularly concentrated in the following areas: information technology, marketing and communications, consultancy, systems and maintenance. Suppliers are accurately selected and closely monitored, so as to find the best option available on the market. Moreover, the Group selects (or confirms) its suppliers based on their financial solidity as well as other criteria, such as:

- > service quality;
- > reliability;
- > assistance and timeliness in their services;
- > responsible and ethical behaviour, also concerning the environment and the community at large.

PURCHASING PROCEDURE AND METHOD

The Procurement Department assists the entire organisation in searching for, identifying and purchasing the goods and services needed to run the business. The Department is in charge of keeping the Register of Suppliers, which provides a list of those suppliers with ongoing relationships for the provision of goods or services. Using the Register of Suppliers, the Department is also responsible for monitoring and assessing supplier performance on a regular basis, both in terms of commercial and technical performance and based on Key Performance Indicators. Moreover, it finds alternatives and other suppliers based on market surveys. To purchase goods and services, the Department uses procurement tools, such as e-tendering and e-auctions, which follow internal policies (approved by the Board of Directors) and Operations Regulations.

The entire process of the procurement of goods and services was automated so that all phases of the activity could be monitored; it includes carefully analysing and assessing the technical and financial offers based on a Scoring Model containing technical, financial and contractual criteria to identify the best option. The Procurement Department, together with the other relevant departments in charge under the internal regulations, also carries out those activities aimed at drafting contracts, including, in order to meet existing regulatory requirements, signing certain papers and accepting the terms contained thereof:

- > information disclosure in compliance with Legislative Decree 231 dated 8 June 2001;
- > obligation of confidentiality relative to the data and information concerning the object of the contract or the information acquired in the course of business, and the obligation of compliance with Legislative Decree 196/2003 regarding data protection;
- > obligation to comply with safety rules in the workplace.

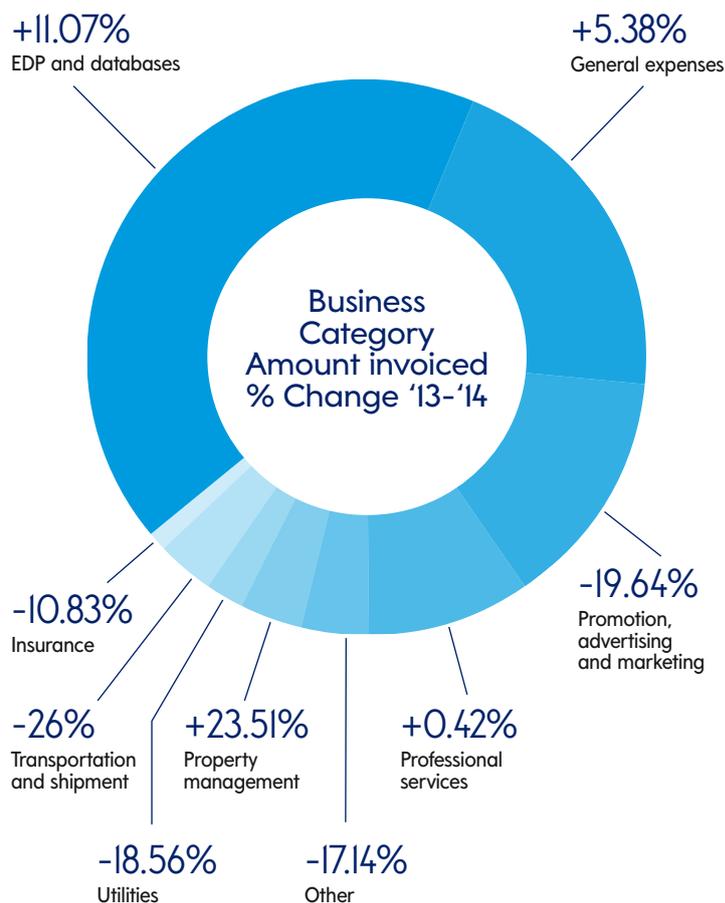
Lastly, the Banca Mediolanum Procurement Department joined ABC (Asset Banking Consortium), the Consortium that assists banks in identifying best practices and in better managing their purchasing process.

Breakdown

CATEGORY

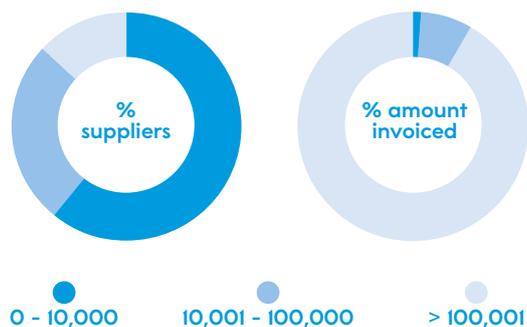
Business Category (%)	Amount invoiced			% Change '13-'14
	2012	2013	2014	
EDP and databases	30.60%	38.02%	42.23%	+11.07%
General expenses	17.20%	19.34%	20.38%	+5.38%
Promotion, advertising and marketing	16.40%	17.26%	13.87%	-19.64%
Professional services	8.90%	9.54%	9.58%	+0.42%
Other	3.70%	4.61%	3.82%	-17.14%
Property management	4.70%	2.85%	3.52%	+23.51%
Utilities	2.60%	2.91%	2.37%	-18.56%
Transportation and shipment	3.50%	4.27%	3.16%	-26.00%
Insurance*	12.40%	1.20%	1.07%	-10.83%
TOTAL	100.00%	100.00%	100.00%	

* In 2013, Mediolanum Assicurazioni joined the Mediolanum Group, which is why there was sharp drop in the figures for 2013 and 2014 compared to previous years.



INVOICE SIZE

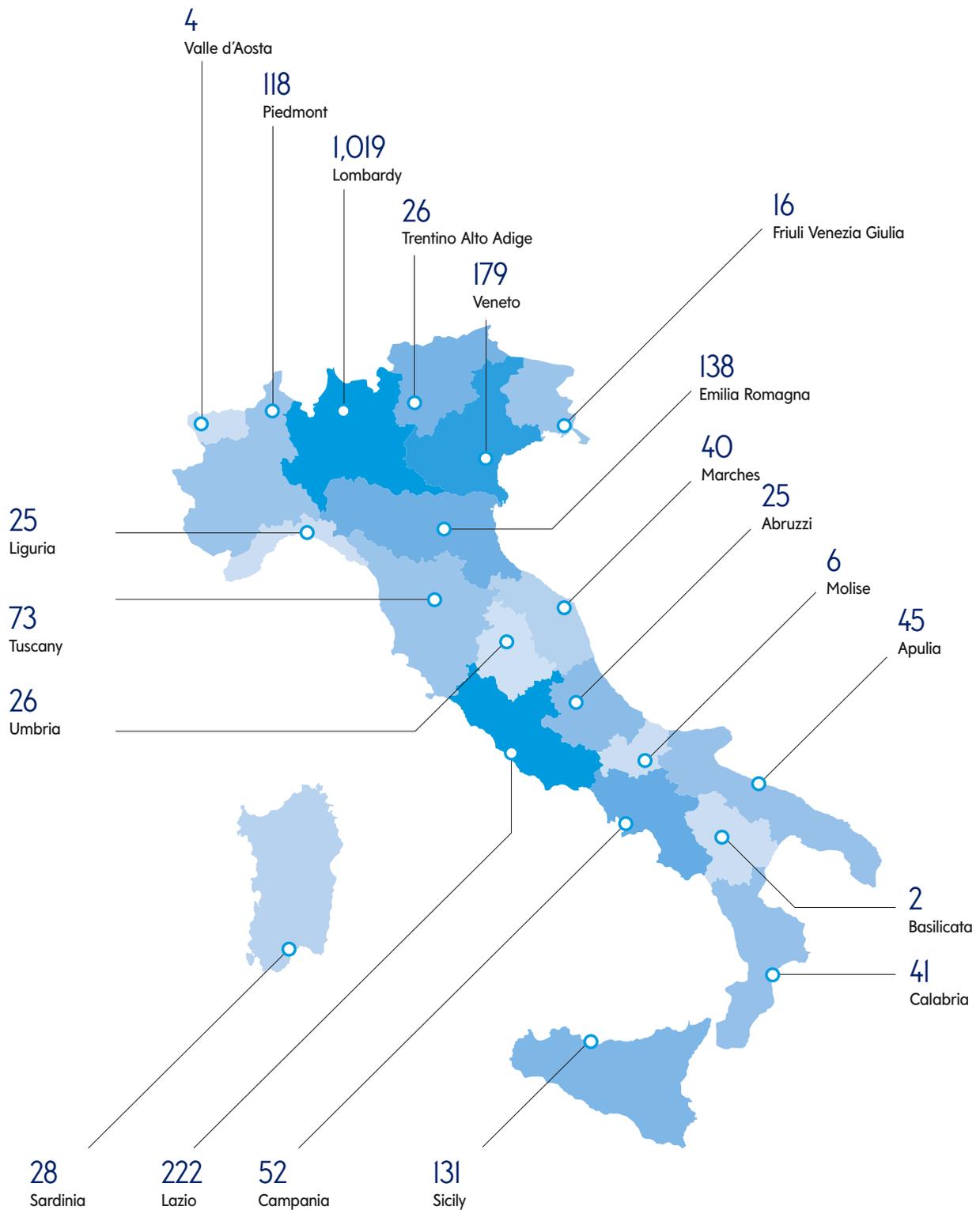
Total annual sales (Euro)	% of concentration	
	% suppliers	% amount invoiced
0 - 10,000	60.89%	1.16%
10,001 - 100,000	26.13%	7.25%
> 100,001	12.98%	91.59%
TOTALE	100.00%	100.00%



GEOGRAPHY

REGIONE	NUMBER OF SUPPLIERS			
	2012	2013	2014	% Change '13-'14
Lombardy	918	966	1,019	5.49%
Lazio	214	242	222	-8.26%
Emilia Romagna	142	153	138	-9.80%
Veneto	183	176	179	1.70%
Sicily	133	129	131	1.55%
Piedmont	118	114	118	3.51%
Abroad	79	91	111	21.98%
Tuscany	99	104	73	-29.81%
Campania	58	77	52	-32.47%
Marches	47	49	40	-18.37%
Sardinia	27	31	28	-9.68%
Apulia	26	45	45	0.00%
Umbria	31	37	26	-29.73%
Calabria	36	55	41	-25.45%
Friuli Venezia Giulia	21	21	16	-23.81%
Liguria	16	30	25	-16.67%
Trentino Alto Adige	22	23	26	13.04%
Abruzzi	19	22	25	13.64%
Molise	7	9	6	-33.33%
Valle d'Aosta	4	8	4	-50.00%
Basilicata	4	8	2	-75.00%
TOTAL	2,204	2,390	2,327	-2.64%

DISTRIBUTION OF SUPPLIERS IN ITALY



The community at large

Corporate Social Responsibility



In June 2014, Banca Mediolanum S.p.A. set up the Corporate Social Responsibility Department. Its focus is on developing corporate social responsibility in terms of sustainability and shared values, using Company assets such as the model, products and services of Banca Mediolanum, Mediolanum Corporate University and Mediolanum Foundation NPO. Specifically, the CSR Department is committed to developing and promoting ethical values to benefit all Mediolanum Group stakeholders through specific Mediolanum Corporate University programmes. It focuses on the relationship with customers and employees, even in difficult times, such as when a natural disaster strikes the region in which they live. Through the Social Report, it also provides a broader and deeper analysis of the Group's values, commitment and activities, as well as coordinating the activities of the Mediolanum Foundation NPO, aimed at supporting projects for disadvantaged children to educate them on freedom, empowering them to be the free adults of tomorrow. The foundation supports projects dealing with basic education, learning a trade and fulfilling primary needs such as food, shelter, medical care and vaccinations.

Mediolanum Corporate University



Mediolanum Corporate University is Banca Mediolanum's educational body, established to safeguard and reaffirm the values that have made the Bank the eminent Company it is today. A business within a business that develops professionals expert in customer relations, family asset and succession planning, financial advice, and savings management. Mediolanum Corporate University relies on teaching personnel selected from the Company's most qualified professionals and managers, who work alongside university professors and esteemed corporate consultants selected from the best in their field, both in Italy and worldwide. Mediolanum Corporate University strives to be a vital point of reference for:

- > Banca Mediolanum Family Bankers® and employees, in their ongoing professional development and personal growth;
- > Banca Mediolanum customers or small investors, to improve their economic and financial literacy;
- > universities and the academic world, for exploring issues around market trading, sales and customer relationship management;
- > the company's partners and all those who have ties with the Mediolanum Community.

The Mediolanum Corporate University campus is in Milano 3, Basiglio, Milan, where Banca Mediolanum has its headquarters. More than 4,000 square meters set aside for students, with spacious classrooms, a museum - where the Bank's origins are conserved - and a Media Library, which holds a large collection of texts and videos from around the world, using advanced multimedia equipment. Moreover, to let information learnt during the day sink in and to prepare for the next day's studies, the Mens Sana space has been created: the perfect place to find harmony between mind and body.



Mediolanum Corporate University, campus in Milano 3



More than 4,000 square meters set aside for students



Mediolanum Media Library



Mens Sana space

PROMOTING CULTURE AND VALUES

In January 2014, a new customer training project was launched, focusing on education and responsibility and promoting cultural activities and ethical values within the Mediolanum Community. Several courses and seminars were designed and held by the Corporate University, named *Centodieci* (the Italian equivalent of "with honours") to evoke the idea of excellence.

Five course formats were created, dealing with topical issues such as the use of social media, technological innovation, marketing scenarios and new paradigms, as well as insights on communication and listening techniques. Two of these, *Centodieci is Progress* and *Centodieci is Change*, deal with innovation from the business perspective. Over 22,000 customers and prospects attended over 222 hours of courses (111 sessions).

The initiatives devoted to values, introduced in 2011 as *MCU incontra l'Eccellenza* (MCU meets Excellence), were repeated in 2014 under the name: *Centodieci is Inspiration*. These initiatives were designed to promote professional development and personal growth among managers and customers.

As part of the two tours organized by "Centodieci is Inspiration" and Dr. Patch Adams - doctor, activist, writer, and famous worldwide for practising and promoting Clown Therapy - visited the paediatric oncology units of 11 of Italy's leading hospitals. The visits lasted an average of 1 hour, and the clown therapy even involved hospital doctors and nurses.

The 27 sessions (54 hours) involved over 11,000 customers and prospects.

Besides training on values, Mediolanum Corporate University developed educational initiatives for Banca Mediolanum customers and prospects on issues related to social media and communication. In 2014, 33 sessions were held and 38 classrooms were made available to discuss the topics covered during the general course format, for a total of 370 hours.

A "Social Faculty" was created to provide more support for specific training and to ensure the whole country would be covered. This "faculty" comprises a selection of the best in-house teachers, experts and enthusiasts on digital themes.

The series of conferences known as Share the Bank continued in 2014. Held in special classrooms, they explored the major social networks and enhanced the expertise of Family Bankers® on social media. In an effort to emphasize its role as "Financial Educator", in 2014, Mediolanum Corporate University continued to organize, for customers of Banca Mediolanum and savers in general, the initiative formerly known as "Invest in My Future" and now named "*Centodieci è Investimento*" (Centodieci is Investment). This initiative is aimed at creating opportunities for those interested in finance and economics to meet and share their views.

During 2014, four training sessions were held, which about 80 customers attended together with their personal Family Bankers®. The audience for such training formats is highly diverse, but there are also specific targets, such as professional associations (the Association of Journalists, the Dental Association, Pharmacists Association, Architectural Association, Confindustria - General Confederation of Italian Industry, and Confartigianato - Confederation of Italian Craft Enterprises) and Millennials: in 2014, the training formats on social media and on innovation were requested by 9 secondary schools and 10 universities throughout Italy.

During 2014, five two-day visits were offered to customers wishing to visit Banca Mediolanum, Mediolanum Corporate University and the Company Museum, attended by about 300 customers. In July, Centodieci launched a web magazine (www.centodieci.it) to reinforce and promote the values put forward during training, as well as to involve as wide an audience as possible in the initiatives. The magazine offers professionals, managers, entrepreneurs and students useful resources and tools that encourage innovation and convey brand values - Passion, Commitment and Simplicity. The aim is to achieve the best possible results through a process of continuous development.

In addition to offering inspirational content, Centodieci.it features the views and opinions of 28 highly esteemed personalities from various professional and cultural spheres, who tackle issues related to innovation, technology, creativity and education.

Initiatives for customers and contractors in need

Banca Mediolanum has supported a series of emergency relief efforts to help those affected by the natural disasters that have hit Italy in the past few years, such as: the earthquake in Abruzzi in 2009; floods in Veneto in 2010; flooding in Liguria, Tuscany and Sicily in 2011; the earthquake in Emilia Romagna, flooding in Central Italy, and earthquakes in Potenza and Cosenza, all in 2012; floods in Catania, Veneto, Tuscany and Sardinia in 2013; and earthquakes in the Lunigiana and Garfagnana regions, in 2013. Again in 2014, Banca Mediolanum continued to offer support to the people hit by the following natural disasters:

- > the floods in the autumn and winter;
- > flooding in the Marche Region;
- > and flooding in central northern Italy.

Banca Mediolanum allocated an initial sum of €1,300,000 to help the families of its customers and Family Bankers® that suffered financial loss and material damage to their family homes and contents, as well as to other property.

Additionally, it offered the following assistance:

- > the option of suspending mortgage and loan payments for 12 months;
- > preferential credit lines;
- > a 1% reduction in existing mortgage and loan rate spreads for 24 months;
- > no-fee current accounts and security deposit accounts for 24 months.

Regarding the donations to customers and Family Bankers hit by natural disasters in previous years, 2014 saw a €114,400 non-repayable grant made to 39 customers in three payments, allocated as follows:

- > Flooding in Catania: 4 customers for a total of €8,100
- > Flooding in Veneto: 11 customers for a total of €42,100
- > Flooding in Tuscany: 24 customers for a total of €64,200.

Mediolanum Foundation NPO



MEDIOLANUM GROUP DONATIONS

During the year, the Foundation has benefited from the Mediolanum Group's regular contributions, which allow it to continue its work as a funding body, selecting and financing partners' projects for children in need.

Specifically, €300,000 was donated by Banca Mediolanum S.p.A in March, and €210,000 by Mediolanum Gestione Fondi SGR p.A. in October, for a total of €510,000 (+2% vs. 2013).

FUNDRAISING INITIATIVES

In 2014, the Foundation selected the projects of two partners to receive the funds raised from the various initiatives described below. The same projects were selected as in 2013, allowing the Foundation to inform all donors, asked to donate again this year, of the results of the previous year's fundraising. In the first half of the year, the "A Crèche for Every Child" project of the Foundation *Aiutare i Bambini* (Helping Children) was promoted. In the second half of the year, the focus shifted to the Open Doors project of the Benedetta d'Intino Centre.

In both cases, the Foundation will match every euro raised, up to a maximum of €30,000. In both cases, however, fundraising activities were so successful that this amount was significantly exceeded. The many activities raised €92,890 for the *Aiutare i Bambini* Foundation, and €80,803 for the Benedetta d'Intino Centre.

EVENTS

The events organized by Banca Mediolanum raised **€96,658** for the Foundation.

CENTS THAT COUNT

"Cents that Count" is a Banca Mediolanum initiative that gives its customers the option of donating the cents from the balance of their current account, if in the black, to the Mediolanum Foundation NPO. Donations are automatic and on the third working day of the month. The initiative covers retail, professional, deposit and card accounts. It excludes current accounts that have been closed, accounts of those not resident in Italy, and shielded, business, special or basic accounts.

As at 31 December 2014, the option had been taken up on **7,058** accounts and had generated **€3,740.17** in donations. **The initiative has enormous potential since only about 1% of target current accounts have so far activated the option.**

SMS CAMPAIGN "A HOUSE FULL OF LOVE"

In 2014, the national telephone operators agreed to provide the Mediolanum Foundation NPO with a single number for its new text message donating campaign called "A HOUSE FULL OF LOVE." The 45599 number was active from 1-20 October 2014.

The funds raised from this campaign will go to SOS CHILDREN'S VILLAGES, providing concrete assistance to 642 children in Italy at risk of violence and abuse and helping them face and overcome the traumas suffered.

Funds raised in the campaign are expected to be close to **€27,500**. However, the actual figures will not be disclosed until March 2015, at the end of the phone operators' second invoicing period after the campaign closes.

OTHER FUNDRAISING INITIATIVES

Holidays

During major holidays (Christmas and Easter), the Foundation organizes fundraisers involving Group employees. In 2014, these initiatives raised **€56,413**.

Family Banker® Lapel Badges and Replaced Passes

The Sales Department continued to fund the shelter for orphaned and abandoned children of the Fratelli Senza Frontiere NPO in Mozambique. The Department raised funds from the sale of Family Banker® lapel badges and from the fee to replace employees' lost work passes.

Funds raised and donated totalled **€9,938**.

Mediolanum Store

With the support of the Merchandising Office, gadgets from the Foundation (bracelets and greeting cards) went on sale in a small corner of the Mediolanum Store, for an agreed minimum donation. During the year, **€9,621** was raised.

Spontaneous Donations Online and via Bank Transfer

Communications campaigns on the new Foundation website and on social networks (Twitter and Facebook), promoting the Foundation's fundraising campaigns raised **€7,822** during the year.

Mediolanum Freedom Rewarding

Mediolanum Freedom Rewarding is a loyalty program for Bank customers to accrue points whenever they use their bank account. Customers can use their points to choose a prize from the catalogue, or they can donate them.

For 2014, the Mediolanum Foundation NPO chose 3 organisations to receive the value of the points that Banca Mediolanum customers had donated:

- > a. CIAI, for projects in Asia (Cambodia and India);
- > b. Aleimar, for projects in Africa (Benin and Congo);
- > c. The Aiutare i Bambini Foundation, for projects in Italy.

In 2014, the total points given by customers resulted in an overall donation of **€5,475**.

5/1000 CONTRIBUTIONS

In October 2014, the Mediolanum Foundation NPO received **€62,738** from the Agenzia delle Entrate (Italian Revenue Agency) for taxpayers' 0.5% contributions to "recognized associations and foundations" of their choice.

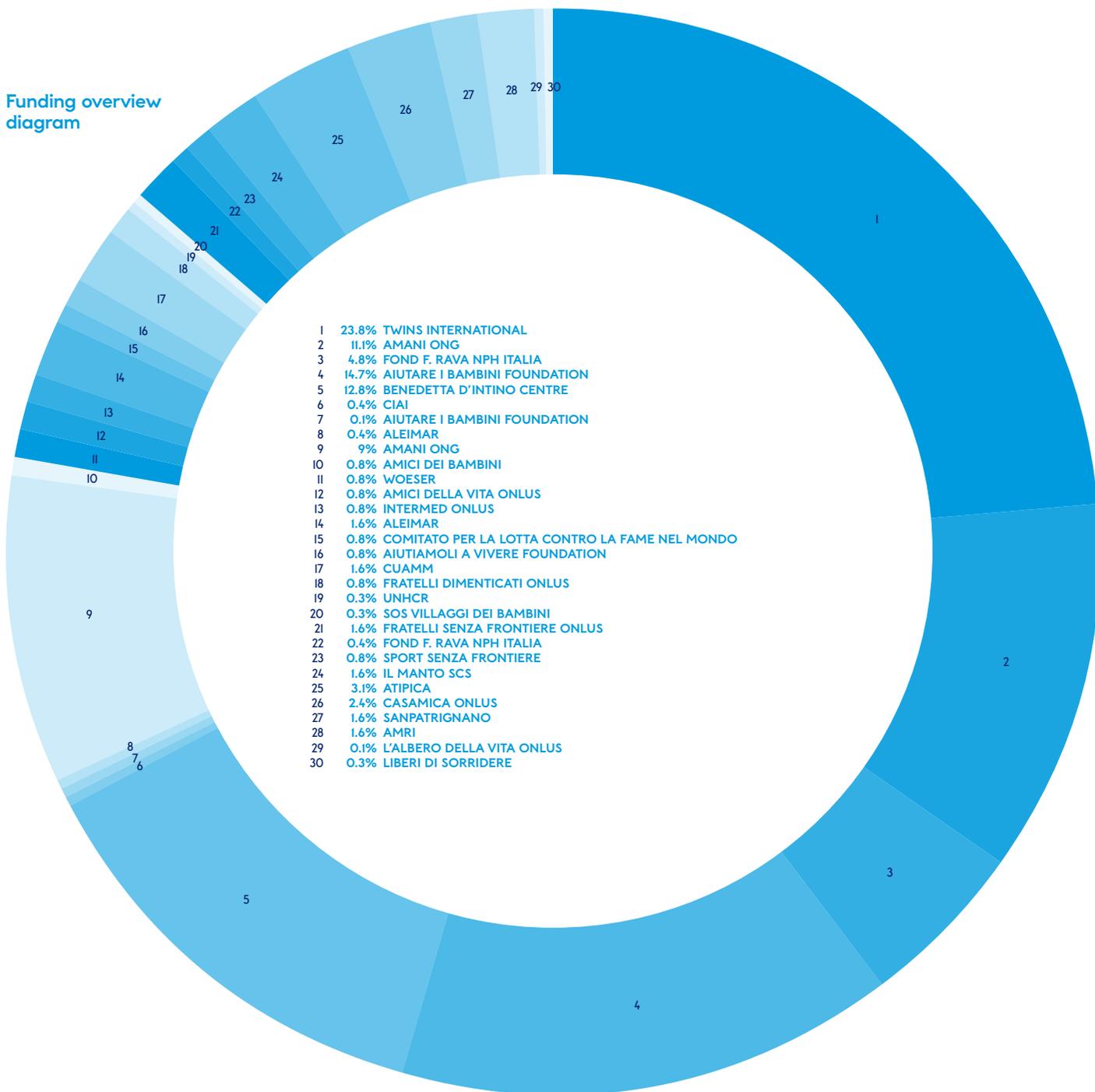
OVERVIEW OF FUNDED PROJECTS

During 2014, the Mediolanum Foundation NPO assessed 102 projects and funded 31 (3 more than in 2013), allocating **€629,888** overall (-17% vs. 2013), with an average per project of €20,319. In the first half of 2014, and for the first time, the Foundation launched a competition on the issue of child nutrition, in Italy and worldwide, named "**Let's Feed the Future**." The competition winners were decided by the votes cast by those visiting the relevant page on the Foundation's website. In the second half of 2014, the Foundation made an allocation of funds upon request, involving associations with which it has an ongoing and long-lasting relationship.

FUNDING OVERVIEW TABLE

PROJECT	COUNTRY	ENTITY	AREA	DESCRIPTION	AMOUNT GRANTED
BANDO NUTRIAMO IL MONDO	KENYA	TWINS INTERNATIONAL	ASSISTANCE	Food security programme that offers a hot meal and accommodation to children working at the Dandora rubbish dump.	150,000 €
	KENYA	AMANI ONG	ASSISTANCE	Three meals a day, access to clean water and a safe place for children from the slums of Nairobi.	70,000 €
	HAITI	FOND F. RAVA NPH ITALIA	ASSISTANCE	Creation of two tilapia fish farms to feed the 800 children of the NPH orphanages and young patients at Saint Damien's Hospital in Haiti.	30,000 €
FUNDRAISING	ITALY	AIUTARE I BAMBINI FOUNDATION	EDUCATION	The "A Crèche for Every Child" project for families in difficulty with children aged 0 to 3 years.	92,890 €
		BENEDETTA D'INTINO CENTRE	HEALTH	Supporting the families of disabled children looked after by the Centre by paying for therapy.	80,803 €
FREEDOM REWARDING	CAMBODIA/INDIA	CIAI	HEALTH	Medical care and rehabilitation for street children and disabled children.	2,360 €
	ITALY	AIUTARE I BAMBINI FOUNDATION	EDUCATION	Changing tables and canteens for nursery schools in severely underprivileged areas.	900 €
	BENIN/ERITREA	ALEIMAR	HEALTH	Nutrition and preventive health programmes.	2,215 €
SOLIDARITY SMS 2013	KENYA	AMANI ONG	EDUCATION	The "MANDAMI A SCUOLA" (Send me to school) project to provide Nairobi's street children with education and a future.	56,674 €
DISCRETIONARY DONATIONS	SYRIA	AMICI DEI BAMBINI	ASSISTANCE	Humanitarian aid for children and women in the Eastern Province of Idlib, providing basic necessities.	5,000 €
	INDIA	WOESER	EDUCATION	Help for 840 Tibetan students, supporting the school canteen and increasing the nutritional value of the food they are provided at lunch each day.	5,000 €
	CAMEROON	AMICI DELLA VITA ONLUS	EDUCATION	Establishment of the "Saint Michael" Catholic education centre to help them learn a profession.	5,000 €
	BURKINA FASO	INTERMED ONLUS	ASSISTANCE	Creation of a well, cultivation of soya beans, millet, peanuts and beans, breeding chickens and cows and producing milk to feed malnourished children.	5,000 €
	BENIN	ALEIMAR	ASSISTANCE	Creating a farm near the "Francesco Massaro" care centre and the annexed nutritional centre in Abomey (Benin).	10,000 €
	GUATEMALA	COMITATO PER LA LOTTA CONTRO LA FAME NEL MONDO	HEALTH	"Casa Santa Rita" paediatric hospital specialised in malnutrition and gynaecology, which serves unmarried and sexually abused teenage mothers.	5,000 €
	CONGO	AIUTIAMOLI A VIVERE FOUNDATION	ASSISTANCE	Creation of a food production chain for the neediest section of the population, with particular focus on children.	5,000 €
	UGANDA	CUAMM	HEALTH	Ensuring that women and newborns at Aber Hospital have greater access to assisted childbirth and neonatal care, while also guaranteeing better quality and fairer access to these services.	10,000 €
	NEPAL	FRATELLI DIMENTICATI ONLUS	EDUCATION	Ensuring access to education for children who live in conditions of extreme poverty, so that they can acquire skills to improve their lives and their families' living circumstances.	5,000 €
	IRAQ	UNHCR	ASSISTANCE	Support for children of refugees in Iraq.	1,735 €
	PHILIPPINES	SOS VILLAGGI DEI BAMBINI	ASSISTANCE	Help for the reconstruction of children's homes destroyed by Typhoon Haiyan.	1,615 €
	MOZAMBIQUE	FRATELLI SENZA FRONTIERE ONLUS	ASSISTANCE	Support for the "Family Med" project for looking after orphans and abandoned children.	9,938 €
	HAITI	FOND F. RAVA NPH ITALIA	EDUCATION	Support for schools for street children in Haiti.	2,953 €
		SPORT SENZA FRONTIERE	EDUCATION	Involving 60 children at risk of exclusion in sporting activities, in the areas of Milan around Villa Pizzone, Quarto Oggiaro and Zona 2 (Via Padova).	5,000 €
		IL MANTO SCS	EDUCATION	Working with families to promote and manage social and educational initiatives for 50 disadvantaged children and teenagers aged 6 to 19 from the Como area, Italy.	10,000 €
		ATIPICA	RESEARCH	Prevention and early identification of Internet addiction and cyber bullying, with drop-in psychological counselling and evening meetings.	20,000 €
		CASAMICA ONLUS	HEALTH	Accommodation in the "Casa dei Bambini", helping with the care and rehabilitation of young guests and their relatives. Psychological counselling and support service.	15,000 €
		SANPATRIGNANO	EDUCATION	Looking after children of parents recovering from drug addiction and helping them overcome the traumatic experiences they have been through.	10,000 €
		AMRI	HEALTH	Renting apartments for the relatives of children being treated at Gaslini Paediatric Hospital in Genoa.	10,000 €
		L'ALBERO DELLA VITA ONLUS	ASSISTANCE	Accommodation for children separated from the families of origin.	790 €
ITALY	LIBERI DI SORRIDERE	HEALTH	Support for the Association of Parents of Disabled Children.	2,015 €	
					629,888 €

Funding overview diagram



LOW-INCOME LENDING

The Mediolanum Foundation NPO and Banca Mediolanum signed two agreements: one with the San Bernardino Foundation (in 2009) in Lombardy, and one with the Fondazione San Gaudenzio (in 2013) in Novara, Italy. These charities provide help and support to vulnerable individuals and families struggling with debt, with the aim of preventing them turning to loan sharks. Under the agreement, the Bank will give low-income individuals, and/or people living below the poverty line, access to loans to help them through difficult times and improve their quality of life (or at least

maintain it). Both foundations work with the Caritas organizations of the respective dioceses, which rely on local Church Counselling Centres to identify the needs of vulnerable families with children. Volunteers qualified in the financial sector provide assistance to these individuals.

The Bank bears the full credit risk associated with the loans. The Mediolanum Foundation NPO, in line with its mission, gives guidelines to favour the granting of loans to financially vulnerable single mothers. Thanks to the revolving loan funds set up by the Bank, as of 31 December 2014, there were 48 active loans, for a total of €419.400.

Environment



Environmental protection

The significance of the environmental impact that all the activities undertaken by the Group and its employees generate at every level has led to a number of concrete initiatives and projects aimed at reducing consumption and waste (e.g. energy, paper and water) as well as encouraging employees to adopt environmentally friendly behaviour.

RAISING EMPLOYEE AWARENESS

The Group's eco-friendly approach is a daily reality at Headquarters, thanks to a series of simple practices that have allowed the Group to significantly cut costs and reduce its environmental impact, as well as help employees acquire more environmentally aware habits in the workplace. Specifically, some of the well-established practices that have been continuously improved over the years are:

- > using the copiers' energy-saving features, i.e. the auto shut-off mode;
- > reducing paper consumption by using copiers as centralized printers and scanners as well as e-mail (sending documents directly via e-mail);
- > setting multifunction copiers to print front and back by default to reduce paper use;

- > placing toner cartridge and paper recycling bins on all floors;
- > encouraging employees to use electronic alternatives to paper-based forms of communication.

TARGETED MEASURES

In 2009, a tri-generation system was installed at Headquarters in Milano 3 for the simultaneous production of electricity, heat and cooling through the use of co-generators, heat pumps and absorption chillers. The system is fuelled with natural gas, and provides self-generated electricity for daily consumption (e.g. lighting, PCs, motive power). Covering the needs of four buildings, the system is made up of two separate and independent devices, located on the roof of each building.

In 2014, the tri-generation system met the following needs:

- > it supplied 58.08% of the current energy consumption;
- > it covered the total heat demand and partially covered the cooling demand.

Moreover, the tri-generation system enabled the company to request "White certificates" (Energy Efficiency Credits) and at the end of the year the National Regulatory Authority for Electricity and Gas (AEEG) accepted its request, finalising the necessary procedure to issue white certificates, which were issued and made available on the energy market.

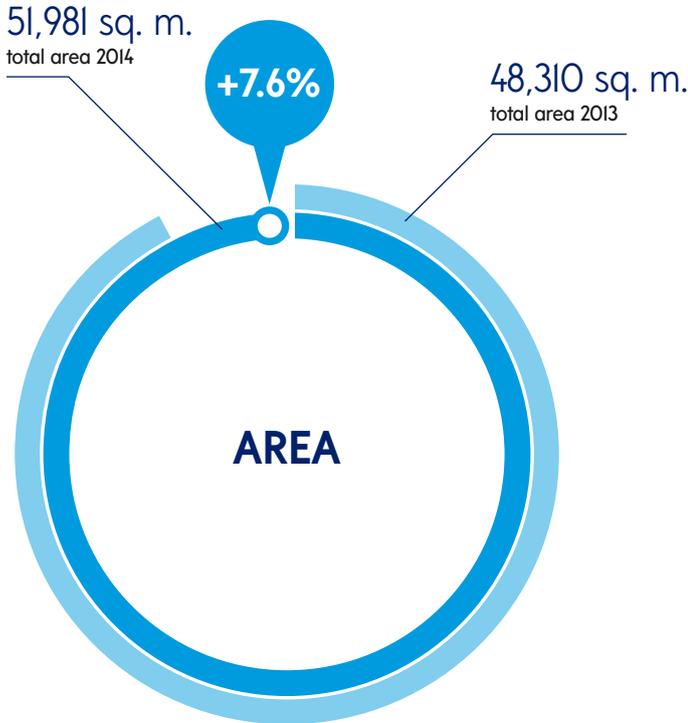
The Archimede and Galilei buildings, as well as the company's day care centre, are connected to the tri-generation system. Apart from providing self-generated electricity, these connections also enable the continuous coverage of 95% of workstations (UPS and engine-generators).

ENERGY CONSUMPTION

The information contained in this section only relates to the Milano 3 Headquarters in Basiglio.

In 2014, the total area assessed was 51,981 sq. m. - an increase in area of 7.6% compared to last year. The corresponding headcount - including employees and contract workers, e.g. interns, project contractors and advisors who are regularly present at Headquarters - came to 3,092 in 2014 versus 2,755 in 2013 (+12.2%). This year's figure includes 2,737 non-management employees, 200 professors at Mediolanum Corporate University, 13 at the Lombardy Division HQ and 142 people at the company's day care centre (126 children and 16 teachers).

Increase in total area assessed



Electricity

	2014*	Change %	2013
Total consumption (kW)	8,559,937.7	8.8%	7,864,757
Yearly consumption/sq. m (kW/sq. m)	164.7	1.2%	162.8
Yearly Per-capita consumption (kW/occupant)	2,768.4	(3%)	2,854.7

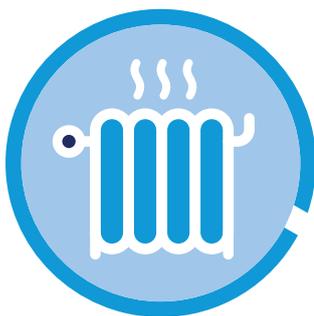
* Estimates refer to December both on the current spaces and on the new ones.

The Mediolanum Group devotes a great deal of attention to energy consumption since this is an area where direct actions can be taken to reduce environmental impact. In February 2006, the Group joined the "ABI Energia" Consortium through its membership in the Italian Association of Private Bankers (ASSBANK). ABI Energia provides services to its members for optimal energy procurement and use. Consortium members can benefit from discounts from suppliers and favourable terms. Thanks to the tri-generation system, in 2013, approximately 4,783 MW of electricity was produced, i.e. 58.08% of total consumption.

At the end of 2013, new plants for the production of cold water for the EDP rooms' water-cooling systems were installed, with a reduction of 438 MW in terms of energy efficiency in 2014.

Increase in employees and contractors





Heating

	2014*	Change %	2013
Total consumption (MCal)	5,462,828	4.8%	5,210,484
Yearly consumption/sq. m (MCal/sq. m)	105.09	(2.6%)	107.88
Yearly per-capita consumption (MCal/employee)	1,766.8	(6.6%)	1,891.3

* Rented buildings figures are estimated on the basis of owned buildings consumption.

Also in 2014, only in the buildings where the tri-generation system is installed, maintenance costs relating to the centralised system in the Milano 3 Headquarters were borne by the Group, while total heat demand for the buildings at Headquarters was covered by self-generated energy. In 2011, meters were installed on the tri-generation system to accurately measure the number of Mega calories consumed; as such, the figures regarding the Meucci-Galvani and Fermi-Galeno buildings are actual figures, while those regarding other buildings (e.g. Archimede, Pitagora and Galilei) are estimated figures.



Water

	2014	Change %	2013
Total consumption (m³)	51,862	9.7%	47,283
Yearly per-capita consumption (m³/employee)	16.8	(2.3%)	17.2

Water consumption in 2014 has been estimated at 51,862 m³: 19,600 m³ for personal use and 30,650 m³ for water-cooled machines (cooling towers).



Paper

	2014	Change %	2013
Letterhead and blank paper (tons)	3.68	(18.2%)	4.5
Recycled paper (tons)	39.3	4.8%	37.5
Yearly per-capita consumption (kg/employee)	13.9	(8.5%)	15.2

Less white paper and letterhead was used in 2014 than the previous year. Use of recycled paper increased although average per capita consumption decreased.

WASTE SORTING AND DISPOSAL

The following waste is sorted:

- > paper;
- > packaging (cardboard, Styrofoam, wood);
- > printer and copier toner cartridges;
- > PCs and electronic equipment;
- > batteries;
- > plastic and aluminium;
- > glass;
- > metal.

The company has dedicated waste collection areas for these kinds of waste: toner cartridges and paper recycling bins are placed on all floors and plastic and aluminium recycling bins in the cafeteria and snack bars. This helps to ensure proper collection and disposal. For glass and metal, there are two waste collection areas for all the buildings.

SUSTAINABLE MOBILITY

Headquarters in Basiglio is connected to Milan (Famagosta and San Donato subway stops) by a shuttle service. This service was used by 420 employees on average per day in 2014, versus 327 in 2013. The use of public transportation to get to work was incentivised by an agreement with ATM - Azienda Trasporti Milanese, the public company responsible for public transportation in Milan - regarding special rates for annual passes. Mediolanum Group employees purchased 117 ATM passes this year.

A carpooling programme is also available to employees, enabling them to share rides. Interested employees can get in touch with other co-workers who take the same route to work via the company's Innova portal.

The Mediolanum Group reinforced its commitment to sustainable mobility by appointing a Mobility Manager responsible for this activity.

Travel expenses come under a variety of headings, in particular, the two relating with the company's car fleet shown in the chart above are related to long-term rental costs and costs for fuel. The latter is reimbursed to employees who have a company car as part of their benefits.

In 2014, the number of cars in the Mediolanum Group's fleet increased with respect to the previous year (109 cars this year versus 106 in 2013). The Group's car fleet comprises vehicles with low CO₂ emission, latest-generation DPF diesel engines and cars running on alternative fuels. The Group continues to show its ongoing commitment to environmental protection and reducing consumption. As a matter of fact, the corporate policy requires fleet cars not to exceed certain levels in terms of CO₂ emissions and mileage.

The cost of the shuttle is paid by the company and is provided by a private transportation service that connects the Basiglio Headquarters with Milan and San Donato.

Since 2013, the cost has decreased because, after careful analysis performed on daily basis for each ride, the number of journeys was reduced, therefore lowering the cost of the service.

WORKPLACE HEALTH

The smoke-free programs adopted by Group companies several years ago are included in workplace health projects: smoking is prohibited in the offices and in common areas.

Travel expenses (Euro)

	2014	Change %	2013
Fuel	348,579	(3.8%)	362,291
Car rental	1,462,612	2.3%	1,430,154
Bus - Shuttle	448,968	(5.5%)	474,946

Regulatory and legal authorities, trade associations

Regulatory authorities

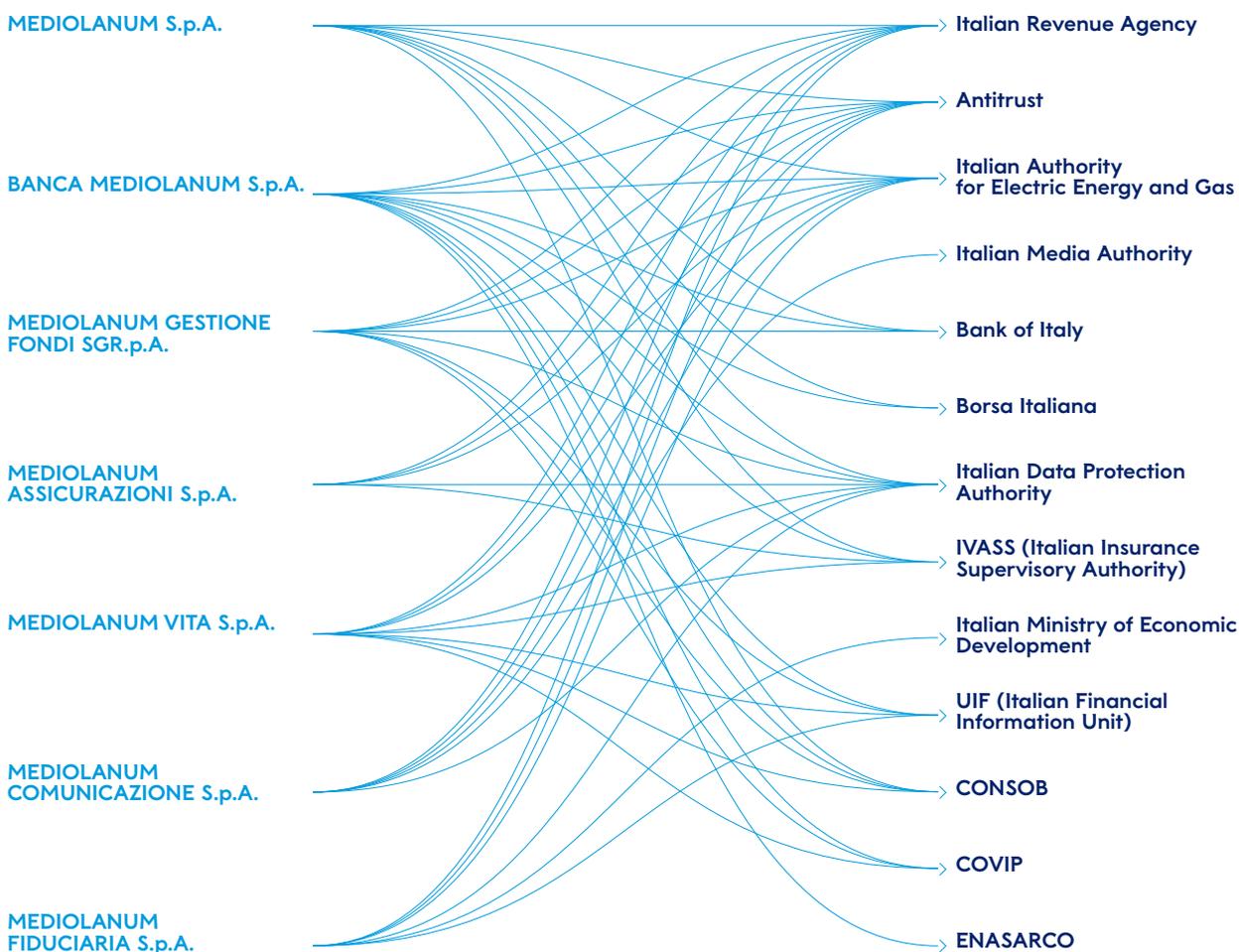
The Mediolanum Group operates in heavily regulated sectors (statutes and other industry regulations) and must comply with specific regulations; moreover, companies are subject to inspections by the

competent supervisory authorities on a regular basis. The main regulatory bodies for the relevant Italian companies of the Mediolanum Group are listed in the table below.

Company	Type of business	Italian Revenue Agency	Antitrust	Italian Authority for Electric Energy and Gas	Italian Media Authority	Bank of Italy	Borsa Italiana
Mediolanum S.p.A.	Parent Holding Company	×	×	×		×	×
Banca Mediolanum S.p.A.	Banking	×	×	×		×	×
Mediolanum Gestione Fondi SGR.p.A.	Asset Management	×	×	×		×	
Mediolanum Assicurazioni S.p.A.	Non-life Insurance	×	×	×			
Mediolanum Vita S.p.A.	Life Insurance	×	×	×			
Mediolanum Comunicazione S.p.A.	Communications	×	×	×	×		
Mediolanum Fiduciaria S.p.A.	Provision of fiduciary registration services for moveable assets, as per Italian Law 1966 of 23/11/1939 and related implementing regulations	×	×	×			

Company	Type of business	Italian Data Protection Authority	IVASS (Italian Insurance Supervisory Authority)	Italian Ministry of Economic Development	UIF (Italian Financial Information Unit)	CONSOB	COVIP	ENASARCO
Mediolanum S.p.A.	Parent Holding Company	×	×			×		
Banca Mediolanum S.p.A.	Banking	×	×		×	×	×	×
Mediolanum Gestione Fondi SGR.p.A.	Asset Management	×			×	×	×	
Mediolanum Assicurazioni S.p.A.	Non-life Insurance	×	×					
Mediolanum Vita S.p.A.	Life Insurance	×	×		×	×	×	
Mediolanum Comunicazione S.p.A.	Communications	×						
Mediolanum Fiduciaria S.p.A.	Provision of fiduciary registration services for moveable assets, as per Italian Law 1966 of 23/11/1939 and related implementing regulations	×		×	×			

Main regulatory bodies for the relevant Italian companies of the Mediolanum Group



Checks and inspections conducted by the various regulatory authorities in 2014 on Group companies (according to each authority's jurisdiction) did not bring about any significant sanctions that had any impact on the business.

Trade associations

The companies within the Mediolanum Group are members of a variety of trade associations based on the type of business they conduct. These memberships include:

- > ABI - Italian Banking Association;
- > Ania - Association of Italian Insurers;
- > ASSBANK - Association of Italian Private Banks;
- > ASSBB - Association for Development of Banking and Stock Exchange Studies;
- > Assogestioni - Asset Management Association;
- > Assonime - Association of Italian Joint-Stock Companies;
- > Assoreti - National Association of Financial Products and Investment Services Placing Firms.

Mediolanum, as an active member of the trade associations above, constantly exchanges information with them and participates in various activities. Moreover, some Group officers are also members of the governing bodies of certain trade associations. Just to mention a few: the 'Knight of Labour' Mr. Ennio Doris is Vice President of Assoreti, Mr. Giovanni Pirovano (Executive Deputy Chairman of Banca Mediolanum S.p.A.) is a member of the Board and the Executive Committee of ABI, a Director of Assbank and Vice President of ASSBB; Mr. Walter Ottolenghi (Chairman of Mediolanum Gestione Fondi S.G.R.p.A.), sits on the Executive Board of Assogestioni; while Mr. Luigi Del Fabbro (Chief Executive Officer of Mediolanum Vita S.p.A) is a member of the Executive Committee of Ania.

The activities carried out include:

- > participation in work groups regarding specific issues and technical committees requiring specific expertise or specialising in specific areas;
- > participation in task forces that are geared to monitor developments in the relationship with customers, regulatory and legal authorities, etc. on a regular basis;
- > surveys and questionnaires.

In the course of its business, the Mediolanum Group also interacts with the Judiciary and the Tax Authority through the Group's Legal Affairs Department, which is responsible, among other things, for preparing and providing documents and information expressly requested by the bodies mentioned above.

Table of indicators

INDICATOR (I)	Standard coverage	Type of data (N/Q)	Coverage (I/G)	Page
CORPORATE IDENTITY				
ORGANIZATIONAL SETUP	*	N e Q	G	15
REFERENCE VALUES	*	Q	G	12
MISSION	*	Q	G	12
STRATEGIES	*	Q		6-7, 13, 21
POLICIES	*	Q		6-7, 13, 21
VALUE ADDED CREATION AND DISTRIBUTION				
ACCOUNTING EQUATION AND RECONCILIATION WITH FINANCIAL REPORTING	*	N		41
VALUE ADDED CREATION	*	N		42
VALUE ADDED BREAKDOWN	*	N		43
Personnel remuneration	*	N		43
Public Administration remuneration	*	N		43
Return on Debt Capital	N.D.			
Return on Equity	*	N		43
Company return	*	N		43
Donations	*	N		43

(I) Key

Type of data: N: Number - Q: Qualitative information
 Coverage: I: Italian companies - G: Mediolanum Group

TABLE OF INDICATORS

INDICATOR	Standard coverage	Type of data (N/Q)	Coverage (I/G)	Page
SOCIAL INDICATORS				
<i>KEY SECTIONS</i>				
CONTENT	*	Q		
Overview of commitments, goals and rules of conduct	*	Q		6, 21, 31
Identification of stakeholders	*	Q		6, 21
Overview of policies regarding stakeholder categories, expected results and consistency with values	*	Q		13, 21, 31, 106
Opinions and judgments of stakeholders	*	N e Q		51, 70
Improvement goals in terms of processes and substance	*	Q		7, 21
Opinions of third parties in charge of assessing process quality and compliance with methodology standards	*	Q		125
IDENTIFICATION OF STAKEHOLDERS	*	Q		6-7
KEY ASSUMPTIONS BY STAKEHOLDER CATEGORY	*	Q		47, 66, 78, 100, 102, 110, 114, 118
COMMON DENOMINATOR IN THE RELATIONS WITH STAKEHOLDERS				
Guidelines and expected results in line with corporate values and mission	*	Q		13, 21, 31, 106
Surveys, legitimate expectations and level of satisfaction/ agreement	*	N e Q		51, 70
Information disclosure and communications	*	N e Q		7
Litigation and disputes	*	N e Q		62, 73

TABLE OF INDICATORS

INDICATOR	Standard coverage	Type of data (N/Q)	Coverage (I/G)	Page
SPECIFIC INFORMATION				
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1. Analysis of personnel	*	N e Q		66, 79
2. Breakdown by age, gender, category, job title, length of service, geography, nationality and agreement type	*	N e Q		67-69, 79, 81
3. Work organization	*	N e Q		68, 79
4. Turnover	*	N e Q		69, 91
5. Social initiatives	*	N e Q		93-96, 107-108, 110, 113
6. Recruitment policy	*	N e Q		88-89
7. Equal opportunities policy	*	N e Q		87
8. Employee training	*	N e Q		74, 97-99
9. Compensation and incentives	*	N e Q		70, 88
10. Workplace health and safety	*	N e Q		93-94
II. Industrial relations	N.D.			
Shareholders				
1. Analysis of shareholders by status and nationality	*	N e Q		100
2. Shareholders' benefits	N.D.			
3. Return on invested capital	*	N e Q		100
4. Shareholders' participation in corporate governance and protection of minority shareholders	*	N e Q		100
5. Investor Relations	*	N e Q		101
Financing parties	N.D.			

(2) Personnel data includes Sales Network staff and employees

TABLE OF INDICATORS

INDICATOR	Standard coverage	Type of data (N/Q)	Coverage (I/G)	Page
Customers/Users				
1. Characteristics and analysis of customers and markets	*	N e Q		47
2. Quality systems	*	N e Q		21
3. Assessment of customer satisfaction	*	N e Q		51
4. Customer contractual terms and conditions	*	N e Q		61
Suppliers				
1. Characteristics and analysis of suppliers	*	N e Q		102-103
2. Quality systems	*	Q		102
3. Supplier contractual terms and conditions	*	Q		102
4. Local economic benefits	*	N		104
5. Compliance with consistent standards along the supply chain	*	Q		102
Public Administration				
1. Income tax, other taxes and contributions paid	*	Q		42-43
2. Subsidies, tax reliefs and/or soft loans received by segment	N.D.			
3. Preferential rates	N.D.			
4. Contractual relationships with the Public Administration	N.D.			
5. Internal rules and control systems to ensure regulatory and statutory compliance	*	Q		27

TABLE OF INDICATORS

INDICATOR	Standard coverage	Type of data (N/Q)	Coverage (I/G)	Page
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(a) Initiatives in the social sphere	*	Q		106, 110
(a.1) Improvement of the quality of life in program areas:	*	Q		
1. Education	*	Q		106, 107
2. Sports	*	Q		95, 59
3. Healthcare	*	Q		110
4. Culture	*	Q		60, 106-107
5. Solidarity	*	N e Q		108, 110-113
(a.2) Relations with associations and organizations	*	Q		118
(b) The environment	*	Q		114
1. Environmental and risk management systems	*	Q		114
2. Education and training	*	Q		114
3. Environmental performance indicators	*	N e Q		115-116
4. Use and consumption of energy and non-recyclable materials	*	Q		117
SUPPLEMENTARY SECTIONS				
Opinions and judgments of stakeholders	*	N e Q		7, 51, 70
Comments and statements made by the company	*	Q		4-5
Social report improvement	*	Q		6-7



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REVIEW REPORT ON THE LIMITED ASSURANCE OF SOCIAL REPORT

To the Board of Directors of MEDIOLANUM S.p.A.

1. We have reviewed the Social Report of Mediolanum Group (the "Group") as of 31st December 2014. The Directors of Mediolanum S.p.A. are responsible for the preparation of the Social Report in accordance with the "Social Reporting Standards" issued in 2001 by the *Study Group for Social Reporting Standards* (Gruppo di Studio per il Bilancio Sociale – GBS), as stated in the paragraph "Introduction and Note on Methodology". The Directors are also responsible for the definition of the Mediolanum Group objectives regarding the sustainability performance and the reporting of the achieved results. The Directors of Mediolanum S.p.A. are also responsible for the identification of stakeholders and of significant aspects to report, as well as for the implementation and maintenance of appropriate management and internal control processes with reference to data and information presented in the Social Report. Our responsibility is to issue this report based on our review.
2. We conducted our work in accordance with the criteria for review engagements established by the "International Standards Engagement 3000 – Assurance Engagements other than Audits or Reviews of Historical Financial Information" ("ISAE 3000"), issued by the *International Auditing and Assurance Standards Board*. That standard requires the compliance with ethical principles "Code of Ethics for Professional Accountants" issued by the *International Ethics Standards Board for Accountants* ("IESBA"), including independence requirements, and that we plan and perform the engagement to obtain limited assurance about whether the Social Report is free from material misstatements. A limited assurance engagement on the Social Report consists of making inquiries, primary with company personnel responsible for the preparation of the information included in the Social Report, analysing the Social Report and applying other evidence gathering procedures, as appropriate. The performed procedures are summarized as follows:
 - comparing the economic and financial information and data included in the paragraph "Financial Indicators" of the Social Report with those included in the Group Consolidated Financial Statements as of 31st December 2014, on which we issued the auditor's report dated 4th March 2015 pursuant to articles 14 and 16 of Legislative Decree no. 39 of January 27th, 2010);
 - analysing how the processes underlying the generation, recording and management of quantitative data included in the Social Report operate. In particular, we have performed the following procedures:
 - interviews and discussions with delegates of Mediolanum S.p.A., to gather information on the information, accounting and reporting systems used in preparing the Social Report, as well as on the internal control procedures supporting the gathering, aggregation, processing and transmittal of data and information to the department responsible for the preparation of the Social Report;

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova
Palermo Parma Roma Torino Treviso Verona

Sede Legale: Via Tortona, 25 - 20144 Milano - Capitale Sociale: Euro 10.328.220,00 i.v.
Codice Fiscale/Registro delle Imprese Milano n. 03049560166 - R.E.A. Milano n. 1720239
Partita IVA: IT 03049560166

- analysis, on a sample basis, of the documentation supporting the preparation of the Social Report, in order to gather the evidence of processes in place, their adequacy, and that the internal control system correctly manages data and information in connection with the objectives described in the Social Report;
- analysing the compliance of the qualitative information included in the Social Report and its overall consistency in relation to the guidelines referred to in paragraph 1 of this review report, in particular with reference to the sustainability strategy and policies and the determination of significant aspects for each stakeholder category;
- analysing the stakeholder involvement process, in terms of methods used and completeness of personnel involved, through analysis of the minutes of the meetings or any other available information about the significant features identified in the stakeholder involvement process;
- obtaining the representation letter signed by the legal representative of Mediolanum S.p.A. on the compliance of the Social Report with the guidelines referred to in paragraph 1 and on the reliability and completeness of the information and data contained therein.

A review is less in scope than an audit carried out in accordance with ISAE 3000, and, therefore, does not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in an audit.

For the data and information relating to the Social Report of the prior year presented for comparative purposes, reference should be made to our review report dated May 15th, 2014.

3. Based on the procedures performed, nothing has come to our attention that causes us to believe that the Social Report of the Mediolanum Group as of 31st December 2014 is not prepared, in all material aspects, in accordance with the “*Social Reporting Standards*” issued in 2001 by the *Study Group for Social Reporting Standards* (Gruppo di Studio per il Bilancio Sociale – GBS), as stated in the paragraph “Introduction and Note on Methodology”.
4. This report was prepared for Mediolanum Group use in accordance with the terms and conditions of the engagement. Our work consisted in communicating only aspects included in this report to Mediolanum Group. Therefore, we do not assume any responsibility regarding our work, this report or our conclusions to any other parties other than Mediolanum Group.

DELOITTE & TOUCHE S.p.A.

Paolo Gibello Ribatto
Partner

Milan, June 22nd, 2015

This report has been translated into the English language solely for the convenience of international readers.

Parent Company
of the Mediolanum Banking Group
entered in the Register of Banking Groups

Share capital €73,743,699.80
Tax, VAT and Milan Register of Companies
Registration No. II667420159
Economic and Administrative Index No. I484838
No. 29138 general list section Article II3
of Italian Legislative Decree No. 385/93

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